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**Foreign Assistance: An Instrument of  
U.S. Leadership Abroad**

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**The National Planning Association** is a private nonprofit, nonpolitical organization engaged in economic and social research and policy formulation in the public interest. Among its activities, NPA brings together influential and knowledgeable leaders from business, labor, agriculture, and academia to serve on policy groups dealing with key issues affecting the U.S. private sector.

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## The National Planning Association's Aid and Development Project: An Overview

According to conventional wisdom, a strong interest in U.S. foreign policy does not exist in the heartland of America, outside the policy centers of the East and West Coasts. However, the National Planning Association (NPA) has found, in a series of regional meetings it has been conducting, that there is indeed deep concern about foreign affairs by many people across this country.

For the past three years, NPA has held symposiums throughout the United States to examine the insights and concerns of the labor and business communities regarding U.S. foreign policy toward developing nations in the post-Cold War era. These "outside the beltway" meetings have brought together a diverse array of public and private sector leaders from the region where the conference has been held. Each regional meeting has been cosponsored by leading corporations, unions, and non-profit organizations.<sup>1</sup> These day-long symposiums are part of an ongoing NPA project funded in part by grants from the U.S. Agency for International Development (USAID) and the Carnegie Corporation of New York. The project is designed to facilitate the exchange of information and ideas among business and labor leaders,

public policymakers, and private voluntary organization executives on many of the difficult issues surrounding America's overseas development policy.

Throughout the Cold War, foreign assistance was promoted as a means of defeating Communism and had broad support. With the demise of the Soviet Union, however, the consensus that sustained this pillar of U.S. foreign policy crumbled as well. Although most private sector leaders agree that the United States must continue to play a leadership role on the world stage, there is no agreement on what that role should be or on what kind of foreign aid and development assistance the United States should be providing. NPA's Aid and Development Project seeks to strengthen the communication between the foreign policy establishment and the business and labor communities so that U.S. foreign policy initiatives reflect public input and enjoy public support.

An interim report highlighting key issues raised during the first 18 months of the project was published in a previous issue of *Looking Ahead*.<sup>2</sup> This report presented the major conclusions that resulted from the earlier meetings, including:

- the necessity for the United States to play a strong leadership role in world affairs;

- the importance of foreign aid to global economic security;
- the compassion of the United States and its citizens, especially when faced with a humanitarian crisis; and
- the need to better explain U.S. foreign assistance activities, which are vastly misunderstood.

NPA decided that an excerpted transcript of a typical symposium would be useful in further documenting the issues that arise at the meetings and the way that the discussions take place. This issue of *Looking Ahead* is thus devoted to the proceedings of NPA's ninth regional symposium, "Foreign Aid: An Instrument of U.S. Leadership Abroad," held in Dallas, Texas, on January 25, 1996. The meeting was cosponsored by Exxon, the AFL-CIO, the Texas Farm Bureau Federation, the International Small Business Development Center, the World Affairs Council of Dallas, the Institute for the Study of Earth and Man at Southern Methodist University, and the Dallas Young Professional League.

The first session of the Dallas symposium provided an overview of some of the key issues relating to foreign aid and featured a senior USAID official, the chair of an international private voluntary organization, and a university professor. The meeting broke into discussion groups for an Interactive

1. A complete listing of the meetings and the sponsors associated with NPA's Aid and Development Project is presented at the end of this issue of *Looking Ahead*. See pp. 30-32.

2. See "U.S. Foreign Aid at the Crossroads: Business and Labor Perspectives," *Looking Ahead*, Vol. XVII, No. 2 (August 1995).



*Attendees at NPA's ninth regional Aid and Development Symposium in Dallas on January 25, 1996.*

Session that allowed participants to determine for themselves and then with their working group what the primary policy priorities and strategies of U.S. foreign assistance should be. The results of these group discussions were reported to the whole meeting and are excerpted here. The luncheon speaker, the executive director of the U.S. Commission on Immigration Re-

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form, addressed the links between development and immigration flows, and the final panel of the day examined the perspectives of private sector leaders and a former diplomat on the costs and benefits of foreign aid. More than 70 people from the southwestern business, labor, and nonprofit communities participated in the symposium.

As the Dallas meeting demonstrates and other NPA activities have confirmed over the past three years, considerable interest, concern, and insight regarding foreign aid and development exist throughout the country. The future of U.S. policy toward developing nations is not an academic debate, but a subject of great importance to corporations, labor unions, and citizens everywhere in the United States.

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# Foreign Assistance: An Instrument of U.S. Leadership Abroad

## Introductory Remarks

**Malcolm R. Lovell, Jr.**

*NPA President and Chief Executive Officer*

I would like to welcome the many distinguished representatives from business, labor, the academic community, and non-governmental organizations who are attending this regional symposium on foreign aid that is being held as part of NPA's Aid and Development Project. Your attendance demonstrates the depth of interest in the future shape of U.S. foreign aid policy, which in today's debate over the budget and other domestic concerns is sometimes overlooked.

U.S. foreign aid policy is facing unprecedented challenges. Congress has voted to cut foreign aid funding by 30 percent over the next three years, and in this ongoing turmoil it is important to remember what U.S. foreign assistance policies have accomplished. The U.S. Agency for International Development was founded in 1961 by President John F. Kennedy and has been at the forefront of America's efforts to achieve its foreign policy goals and to help the less fortunate in the world. Throughout the Cold War, the rationale for foreign assistance was clear and well-supported—to help alleviate suffering and to increase economic prosperity in the developing world, thereby decreasing the likelihood that those countries would fall victim to Communism. However, with the breakup of the Soviet Union and

the freeing of the Eastern Bloc nations, this rationale disappeared. There is no consensus in the United States today on foreign policy goals, and there is equal uncertainty about the priorities the United States should establish in promoting development internationally. Should we wait until a catastrophe compels us to commit resources? Should we invest in long-term sustainable growth projects, even though the immediate results are difficult to quantify? Should we ignore the rest of the world? Can we become isolationists even if we want to?

The future direction of U.S. foreign assistance is an open question. Thus, it is especially important to debate the issues surrounding foreign aid and the role of the United States as the most influential nation in the world today—indeed, perhaps the most influential nation the world has ever known. How we choose to use or not to use this influence will importantly affect the way that people throughout the globe live and work together in the decades ahead. The United States will not be the only influence, of course, for each country ultimately controls its own destiny. Yet more than any other nation, America has an opportunity to give or withhold leadership in a period unparalleled in world history.

## U.S. Leadership and U.S. Foreign Aid

*Speakers*

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Research, and Field Support,  
U.S. Agency for International Development*

### **Carol Blackwood**

*Chair, Board of Trustees, World Neighbors*

### **Lloyd Jeff Dumas**

*Professor of Political Economy and Economics,  
University of Texas at Dallas*

### ***Sally Shelton***

Most people in this country probably support the goal of reducing the federal budget deficit as a tool to help maintain the economic well-being of the United States and its position as a global leader. Yet the legislation that Congress recently passed will cut foreign assistance by about 30 percent over the next three years, despite the 25 percent decline in real terms in foreign aid spending over the past decade. While it is agreed that the federal government will have to tighten its belt and do more with less, it must be kept in mind that a strong foreign aid program plays a critical role in maintaining U.S. leadership in the world and in strengthening the domestic economy. Not only does investment in foreign assistance overseas benefit the U.S. economy at home—a point often lost in the debate on foreign aid—but, as U.S. Secretary of Defense William Perry and Chairman of the Joint Chiefs of Staff General John Shalikashvili have argued, a strong foreign aid program is also vital to the

country's national security. When President George Bush talked about a new world order a few years ago, it was assumed that with the end of the Cold War and the collapse of the former Soviet Union, that world would be more secure and orderly. However, this has not been the case. In the Middle East, Bosnia, Rwanda, Haiti, the former Soviet Union, and the Korean peninsula, the international community continues to grapple with hard questions about the use of military force, the distribution of resources, sovereignty, and ethnic diversity.

The peace dividend that was once so touted has evaporated into a wave of peacekeeping operations, humanitarian relief, and protracted diplomatic efforts to keep nations from imploding or to rebuild those that have already imploded, such as Somalia, Haiti, Rwanda, and Bosnia. With Soviet Communism no longer a threat, foreign policy and security experts and both political parties are groping for a new way to define national security and new ways to identify the U.S. national interest around the globe. The loud

debate in Washington has seemed to focus on the details and the dollars of diplomacy rather than on the larger questions. Clearly, America is the most powerful nation on earth, yet it is having difficulty determining its leadership role in the international community.

#### **A CONTINUED ROLE FOR USAID IN HELPING TO MAKE HISTORIC TRANSFORMATIONS**

Foreign assistance is not the most popular program in the federal government. The U.S. Agency for International Development (USAID) is going through an extraordinary and difficult period. There have been repeated attempts in the past year to eliminate the agency and to cut funds for foreign assistance, in some cases by up to 50 percent. The numbers are increasing in Congress who believe that American diplomacy should be conducted solely by the U.S. Department of Defense. USAID is told that America no longer has a national interest in certain areas of the world such as Africa and that the country must look the other way when humanitarian crises occur and when entire states fail.

USAID is struggling to overcome the public's perception that foreign aid is a huge proportion—between 15 and 25 percent—of the federal budget, a level that people of course think is too high. In fact, U.S. bilateral aid programs are only 0.5 percent of the federal budget. When both Democrats and Republicans are asked what would be the right level, their overwhelming response is about 5 percent of the federal budget. Supporters of foreign aid wish that were indeed the case because a level of 5 percent would be an enormous increase in the actual foreign aid budget.

USAID is also working to combat the argument that foreign assistance is unnecessary in the post-Cold War era. In a world that is becoming increasingly interconnected through telecommunications, the globalization of business, and more open markets, this argument is ironic. U.S. development programs are more important to this country now than they were during the Cold War. It is difficult to understand why some Americans are questioning the need for the United States to stay engaged diplomatically when the evening news reports incident after incident of civil conflict around the globe. Americans need to ask themselves if it makes sense to cut back the programs that help keep new conflicts from breaking out. Further, given a highly competitive global market, Americans must also ask themselves what will be the effect on the domestic economy if the United States abandons its efforts to develop new trading partners. Add to these concerns the global threat of AIDS, global warming, the population explosion, and environmental destruc-

tion, and it is clear that what is happening abroad means more today to the lives of average Americans than ever before.

With respect to national security, even though the Soviet Union has been relegated to the dustbin of history, foreign assistance has been called on to do more, not less, since the fall of the Berlin Wall. But it is not the Department of Defense or the U.S. private sector that is helping Russia undertake the most massive privatization of state-owned enterprises in history or that is helping Poland and the countries of the former Soviet Union hold free elections. Rather, it is USAID that has been positioned to assist in these historic transformations in Russia, Haiti, South Africa, the West Bank and Gaza, and Bosnia.

#### **PREVENTING WORLD CRISES THROUGH DEVELOPMENT**

Civil conflict and instability continue in the post-Cold War world, as the war in Bosnia tragically illustrates. The United States has a great deal at stake in seeing that the Dayton Peace Accord succeeds in that strife-ridden region. The urgency of this task is clear. There are 3.5 million people in need of immediate humanitarian assistance. The cost of helping to rebuild Bosnia is a small price to pay compared with the cost in terms of human suffering and military operations if the Balkans enter into a larger conflagration. In Bosnia, Rwanda, and elsewhere, the cost of failed states and protracted civil wars is all too evident. These situations have required enormous amounts of humanitarian assistance from around the globe. In a rather unusual position for the military and security leadership of this country, Secretary of Defense Perry and General Shalikashvili have urged Congress not to cut foreign assistance because they know that if it is cut, more failed states will result. This will again lead to the need for either United Nations (UN) peacekeeping activities or U.S. military involvement, which, over time, will create a heavy financial burden on the U.S. military and will distract it from real national security problems.

The new post-Cold War crises are being created by long-simmering ethnic tensions, failed economic policies, poor governance, poverty, environmental pressures, and nations probing the limits of their power and territory. Development can address these problems, and it can do so more cheaply than the more costly actions required after a disaster strikes. The simple fact is that if wars are to be prevented, the root causes of the conflicts must be addressed. This is so obvious that American generals are advocating foreign aid as an important part of U.S. national security policy, and the intelligence community is pointing to development as a key

means of crisis prevention. As noted earlier, General Shalikashvili and Secretary of Defense Perry believe that foreign aid, like defense spending, helps preserve national security. I would add that it promotes U.S. leadership in the world.

### MAJOR TURNING POINTS IN THE 20th CENTURY

U.S. foreign assistance programs began well before the creation of USAID by President John F. Kennedy. The United States has been involved in providing assistance to other countries since the Marshall Plan half a century ago. Future historians will probably see three major turning points in the 20th century.

The first was at the end of World War I, when Congress rejected the League of Nations. Congress insisted on keeping Germany burdened by war debt and reparations and enacted the Hawley-Smoot Tariff Act. The result was the rise of Hitler and Nazism in Germany. Hawley-Smoot also undoubtedly contributed to the Great Depression and World War II. The second turning point was at the end of World War II when the United States took the opposite decision to invest in rebuilding its defeated enemies, Germany and Japan. Today they are among the most important strategic allies and trading partners of the United States. The world is healthier and safer with a democratic, market-oriented Germany and Japan, and U.S. industry is probably more competitive because of the challenges from these two countries. The third turning point in 20th century history was the end of the Cold War and the collapse of the Soviet Union.

With the end of Communism, the challenges for the next generations will be AIDS and infectious diseases, the population explosion, environmental degradation, and problems of ethnic violence and poverty. Will the United States rise to meet these challenges—which are indeed threats to U.S. national security—as it did at the end of World War II, or will it turn inward as it did at the end of World War I? I would certainly advocate a continued international leadership role for the United States. American leadership is needed now more than ever before.



### *Carol Blackwood*

World Neighbors is a nonprofit, nongovernment organization (NGO) specializing in development training, not in material aid. Founded in the Southwest United States 45 years ago, with a moral and spiritual heritage, the organization feels a responsibility to be a good neighbor to others in the world. We are nonsecretarian. Sixty percent of our donations

are from individuals, and 40 percent are from foundations and organizations. We accept no U.S. government funds.

World Neighbors offers grassroots self-help programs with cost-effective methods that serve marginalized peoples. Villagers solve their own problems based on their experience. This integrated approach helps local communities set their own agenda, whether it is in agriculture, preventive health, family planning, community water systems, or small businesses.

### FOREIGN AID AT WORK

World Neighbors sees an encouraging trend in foreign aid: multilateral institutions, public, private, and voluntary, are playing a role in the world's communities, and these foreign aid programs are working. In the past, aid programs were geared more to building material structures, such as dams and bridges, and less to building communities. Today there are many programs involving entire communities working in partnership with assistance organizations to improve their lives. Now we see projects in which the assisting agency has no special agenda for the community, but listens to the people and their needs. The community takes part in the program from the beginning—in the planning, the analysis of resources, the implementation, and the ongoing maintenance of the program after the assisting agency leaves.

The following examples show the encouraging trend in foreign aid. World Neighbors has worked in Haiti since 1966. We were able to remain and continue our work in Haiti through all of the unrest during 1991-94 because of our staff's commitment. All the staff on this project are Haitians who have a vested interest in the people and their communities. This program exemplifies World Neighbors' approach: only nationals do the organization's training, and there are only 5 North Americans on its international staff of 400.

World Neighbors has had a significant influence on the teaching techniques at the Pan American Agricultural School in Zamarano, Honduras. Just a decade ago, most of the agricultural courses at the school were teaching Iowa-style farming, even though less than 10 percent of the land in Honduras is flat. Most of that land is owned by a few wealthy corporate farms. There was virtually no instruction on appropriate farming techniques for the small, rocky plots on steep mountainsides where most Honduran farmers eke out a living. Today that has changed. Many courses at the school now use farm plots of subsistence farmers for practical field trips. There are subsistence farmers with little more than a couple of years of formal education

training masters degree candidates in uplands agriculture.

Another successful World Neighbors' program involved the building of water systems. Many water systems have been built in the Himalayan foothills of Nepal over the past 20 years. In 1995, a World Bank survey of the Nepalese water systems revealed that at least 80 percent had broken down after just three years. Contrast this figure with the success rate of water systems that World Neighbors and its partner agencies have helped communities in Nepal build. The World Bank survey found that 97 percent of the World Neighbors' water systems were still working after 15 years. The key to this success was community involvement and ownership from the beginning. The program provided technical expertise and some materials, but virtually all of the labor and many of the materials came from the communities.

In Kenya, a 1996 USAID grant went to the Kenyan National Council of 400 local and national NGOs. This grant plays a vital role in strengthening the voice of the voluntary community in Kenya, and it exemplifies how USAID recognizes and supports community development.

An example of the influence of grassroots programs on government is the law of popular participation passed in Bolivia in 1994. This law shifts responsibility and funding from a centrally controlled process in the capital city of La Paz to locally controlled decisionmaking and community planning. The law empowers local leadership and enables towns and villages to register as civil associations, develop plans, and manage resources to strengthen their existing infrastructure, such as schools, clinics, and roads, according to their own priorities. A principal author of the law says that much of his inspiration came from his experience with World Neighbors and its approach to community development.

The leadership training that World Neighbors provides its program workers has sometimes led to their participation in government. In Bolivia, for example, one program leader is now a congressman in the state of Potosí, one was recently elected the first woman mayor of San Pedro de Buena Vista, and another serves as a municipal coordinator in Chiro' qasa.

#### **COMMUNITY INVOLVEMENT IS THE KEY TO SUCCESS**

When the entire community is involved in assistance programs, the chance for success is far greater. The community owns the project from the beginning, and this involvement raises the self-esteem of individuals while greatly improving their lives. Because of their investment of time and small

monetary contributions combined with those of World Neighbors and other aid organizations, these projects work well and have long-lasting results. Some of these programs have multiplied, affecting whole regions; others have been adopted as national policies, thereby influencing the entire public sector. By serving the people first and including their ideas, dreams, and goals for improving their communities, these programs are sustainable.

World Neighbors will continue to operate entirely on private contributions. However, based on its direct field experience in more than 45 low income countries over four decades, we have seen public aid programs work, especially when they are carried out in partnership with voluntary organizations such as CARE and Habitat for Humanity. Private groups must continue to work in cooperation with government-supported efforts to provide cost-effective, participatory methods of development. We Americans, have a moral and spiritual obligation to our neighbors around the world.



#### ***Lloyd Jeff Dumas***

True leadership requires a combination of vision and pragmatism. The concept of vision has been denigrated in the past as being too esoteric and idealistic. But without a clear vision of what needs to be accomplished, what passes for leadership becomes a series of incremental compromises with the status quo, and it is an accident if anything is achieved. On the other hand, vision without pragmatism remains a dream—pleasant to contemplate, but unable to effect change. When the great activist and national leader Martin Luther King, Jr., proclaimed, "I have a dream," his actions showed that he also had a plan. To make true progressive change in the world, it is not enough to have a vision of the Emerald City; that vision must be accompanied by a workable plan for building the Yellow Brick Road.

In that spirit, I would like to outline a vision of a prosperous and secure world in which international economic relationships can be structured to provide strong, positive incentives to resolve international conflicts without resorting to war. This discussion will also sketch how U.S. foreign policy in general and foreign aid in particular can serve as instruments of American leadership to meet these goals.

#### **BASIC PRINCIPLES OF AN INTERNATIONAL PEACEKEEPING ECONOMY**

An international peacekeeping economy would use the power of economic relations rather than



(L to R) Malcolm R. Lovell, Jr., NPA President and CEO; Sally Shelton, Assistant Administrator, Bureau for Global Programs, Research, and Field Support, USAID; Carol Blackwood, Chair, Board of Trustees, World Neighbors; and Lloyd Jeff Dumas, Professor of Political Economy and Economics, University of Texas at Dallas.

overwhelming military force to provide security and keep the peace. The first basic principle that would underlie such an economy is balanced relationships. In the international arena, as in personal relationships, exploitative relationships tend to generate conflict and hostility because the flow of benefits is primarily one way. These relationships create incentives for disruption by the party being exploited, who is continually looking for ways to destroy the relationship and perhaps to take revenge. If the exploiter comes under stress from external sources, the party being dominated has a strong incentive to take advantage of the situation and try to break free. Knowing that, the exploiter will have to put considerable effort and expense into maintaining control. Adam Smith, the founder of modern market economics, made this same argument in *The Wealth of Nations* in 1776. He contended that Britain should let go of all its colonies and trade with them on a more equal basis because this kind of mutually beneficial trade was better for Britain, not just for the colonies. The British could get the goods they needed without bearing the enormous cost of militarily and politically dominating the colonies to enforce exploitative trade monopolies.

When a relationship is balanced, there is no need to expend extra effort to keep it going. The mutual flow of benefits binds the parties together. Because the relationship benefits all the participants

more or less equally, all will look for ways to maintain or strengthen it out of their own self-interest. When a conflict occurs, they will try to avoid disruption by settling it amicably. In effect, a balanced relationship is a more efficient relationship, achieving benefits at a much lower cost.

The effectiveness of mutually beneficial, balanced economic relationships in keeping the peace is well illustrated today by the European Union (EU). Many of the countries that belong to the Common Market, such as Germany, Belgium, France, and the United Kingdom, have fought countless wars with each other over the centuries. Yet none of these countries would seriously consider fighting a war with any of the others in the foreseeable future. They all recognize that they have too much to lose if they let their disagreements get out of control. So they debate, they argue, and they shout at each other, but they do not shoot.

The second principle underlying an international peacekeeping economy is an emphasis on development. The poverty and frustration of so many of the world's people create a fertile breeding ground for violent conflict. There have been more than 120 wars since the end of World War II, taking more than 20 million lives. Nearly all of these wars have been fought in the developing countries. Someday, one of them could ignite a nuclear holocaust. The plain fact is that poverty and frustration cannot be

fought with bullets. People in desperate economic straits tend to reach for extreme solutions. They are much more easily manipulated by demagogues, and they become easy prey of aggressors.

Foreign aid can be a vital part of encouraging the development of less developed countries as well as the nations of eastern Europe and the former Soviet Union. The continued economic deterioration of Russia and the other successor states of the former Soviet Union is a serious threat to U.S. national security. As noted, people do not make good political decisions in a state of economic chaos, as evidenced by Germany between the two world wars.

In Russia, the Communists and the ultranationalists took about 40 percent of the vote in the last parliamentary election. Although the United States cannot bail out Russia, it can provide the right kind of technical assistance and well-placed capital investment to help the reformers build a healthy Russian economy. This is greatly in America's interest nationally and internationally. Unfortunately, however, much of the small amount of aid that the United States has already given to Russia as well as to eastern Europe has been useless, if not harmful. It has been used to pay high-priced American consultants, many of whom know little about the culture, politics, and economies of those countries. Eastern Europeans refer to them as the "Marriott brigade" because they frequently stay in expensive hotels. "Do it the way we do it in the United States," these consultants say, but the transition countries do not have the training, the experience, or the institutions in place to copy the way it is done in the United States, even if they wanted to. In Russia and in eastern Europe, the United States has repeated the mistakes it has often made in giving foreign aid to less developed countries. For foreign aid to be effective, it must be tailored to the cultural, political, and economic environment of the countries to which it is given. This can best be done by ensuring that the people in charge of designing and carrying out aid projects have a thorough understanding of the countries receiving aid and that these projects are designed and implemented interactively with the local population.

Many Americans believe that the United States spends huge amounts on foreign aid, somewhere between 15 and 25 percent of the federal budget. The United States has been spending about \$18 billion per year, much of which goes to only two countries, Egypt and Israel. Although this may seem like a great deal of money, it is only about 0.5 percent of the federal budget. The cutbacks now being contemplated in the foreign aid budget are ridiculous. The negative impact will be much greater than the money that will be saved. Given the importance

of development in building a peacekeeping international economy and the value of a peacekeeping economy in advancing America's foreign policy goals, it is clear that the United States should invest more in foreign aid. But the United States must not just do more, it must do it right.

The United States should immediately pay the roughly \$1 billion in back dues that it owes the United Nations. The money could easily be raised without affecting the budget-balancing plan or increasing taxes simply by building one less B-2 bomber. The foreign policy goal of ensuring the security of the United States can be achieved much more effectively by having a viable, healthy UN than by having one more Cold War bomber that Congress is now forcing the Pentagon to buy against the Pentagon's wishes.

#### AMERICAN LEADERSHIP

The world has changed a great deal in the past 20 years. The end of the Cold War and the collapse of the Soviet Union have left the United States as the world's only military superpower. Great advances in computer, transportation, and telecommunications technology have made the world much smaller and made more real the idea that all peoples are part of the "global village." The rise of Japan and western Europe and the relative decline of the United States as an industrial power mean that the United States no longer dominates in every sphere of international life. Yet America still exerts enormous influence in the international community.

Only a few years from the beginning of a new millennium of human history, a critical turning point has been reached, and there is a very important leadership role for the United States to play. America can be instrumental in leading the international community step by step toward a differently structured, more prosperous world in which, for all its conflicts and imperfections, there will be greater justice and equity—a world in which there is no longer the threat of annihilation and in which there is no longer the mass organized brutality that is called war. All of this is possible if the United States puts aside its old ways of thinking and takes advantage of the real opportunities that now exist. It is within our grasp. It remains to be seen if it is within our grasp.



#### *Question and Answer Session*

**Malcolm Lovell:** These were very stimulating presentations, and everyone now has an opportunity to engage in discussion with the members of the

panel. This will be our format after the other panel presentations as well. I want to stress that the purpose of this symposium is not to sell a point of view, but to explore what the United States should be doing under current conditions. We want to hear what you think. That is why we are all here.

**Q:** By giving half of U.S. foreign aid to Egypt and Israel, is Congress sending a message that it can deal with the previous generation's foreign policy problems only by keeping the same balance of spending regardless of circumstances?

**Sally Shelton:** The foreign aid figure for Egypt and Israel is not really half of the total aid budget, but about \$2 billion in economic assistance. However, there has been no attempt to cut the Camp David budget, which has been protected, as has humanitarian assistance relatively speaking, while the rest of the foreign aid budget has been cut back. I do not want to attack the budget for the countries under the Camp David Accord, but I want to put it in perspective. It is true that it is a large part of America's dwindling foreign assistance pie and that it is being protected. But on the other hand, these are historically the two largest belligerents in the Middle East that have gone to war against each other five times in the past generation. Thus, \$2 billion seems to me to be a relatively modest investment in keeping the peace in a still very unstable part of the world.

Although U.S. aid to Egypt has not been an unmitigated success, there have been some successes. For example, fertility rates in Egypt have come down sharply, even in rural upper Egypt. Infant and child mortality have declined sharply as well. In a country that is not exactly prime agriculture territory, the agricultural sector has recently taken off. Egypt's yields in several crops, developed with U.S. assistance, are now among the highest in the world. It is important to remember these major accomplishments, even though there is still much to be done.

**Q:** USAID seems to have a marketing problem. We rarely hear about successful aid programs, and even then we hear about the benefits to foreigners, not the indirect benefits to Americans. Could you comment?

**Sally Shelton:** You are absolutely right. I would like to preface my comments by saying that I am a political and a presidential appointee, so perhaps I can be slightly more critical than if I were a career officer. USAID did not make an effort to build a do-

mestic constituency until the past year or two, an effort that should have been started 30 years ago. Americans need to understand that foreign investment helps them in part by avoiding the greater costs of peacekeeping that accrue after a crisis has occurred. But they also need to be made aware there are much more direct benefits. U.S. development aid and investment in economic growth programs, agricultural programs, population and health programs, and education programs overseas help to create markets for U.S. companies. Americans today are benefiting significantly from investments made during the past 30 years in a number of developing countries. For example, the United States now exports 7 times more each year to South Korea than it ever gave in foreign assistance, 12 times more each year to Taiwan, and about 3 times more each year to Latin America. It makes sense to invest in countries such as Indonesia, Malaysia, the Philippines, South Africa, Ghana, Kenya, Tunisia, and Morocco that are committed to development, that are taking off economically, and that will form the markets of the future. The United States provides assistance for humanitarian purposes, and it provides assistance in its own national economic interest to create future markets. Yet Americans continue to have difficulty understanding why investments made on the other side of the earth benefit them. USAID must do a better job of getting that message out.

**Jeff Dumas:** The public's misperceptions are in part the result of not understanding certain key facts. For instance, the Marshall Plan was a very effective program not only for the European economies but also for the U.S. economy, yet most Americans think the plan was charity that the United States gave Europe. Its implications, however, were much greater. Consider the European Union. How many Americans have ever thought about the large role that postwar reconstruction played in changing the way conflicts happen in western Europe?

In marketing terms, the benefits of foreign aid offer numerous selling points that should be broadcast to the American public. One example is the fact that AIDS came out of Africa. If the health situation in Africa had been better, the health situation in the world today would be much better. Perhaps the next worldwide epidemic will come out of Latin America or Asia. The point is that we, as humans, are all subject to what happens to the rest of us. The public does not have to be convinced that foreign aid is beneficial on the basis of deep humanitarian or moral terms, but simply in common sense terms. The selling points for foreign aid exist, and they are powerful, but they must be brought to people's attention. This is not easy to accomplish.

**Comment:** I am Byron Charlton with the African-American Labor Center, and I will be speaking later in the symposium. One of the groups that has been the hardest to sell on foreign aid is workers. Union members are losing jobs every year, and they understandably feel insecure. The African-American Labor Center belongs to the Freedom Support Coalition, a large, diverse group that includes labor, business, private voluntary organizations, NGOs, and humanitarian organizations that support foreign assistance. The coalition has put out a 1,000-page book detailing the benefits of foreign aid to each state. Texas, for example, receives more than \$1 billion as a result of foreign aid. The fact is that \$1 billion in foreign aid creates about 17,000 U.S. jobs. Labor would not support foreign assistance if it were not beneficial for people at home. For labor, marketing is key. American voters, whether they are business or labor constituents, need to be informed about the value of foreign assistance to the American economy. They need to know that U.S. aid is not a giveaway.

**Q:** I am Norman Neureiter with Texas Instruments. The Japanese have a coordinated foreign aid program that relates to their national economic goals. Perhaps the United States should use Japan as an example to demonstrate that foreign aid can be an effective part of a national economic development strategy.

There is a massive consensus in the country that the United States must reach a balanced budget. How should priorities be set? With respect to the cuts in the foreign aid budget, I am concerned that a new isolationism is prevalent not just in foreign aid, but also in the entire foreign policy community. At a time when much of the U.S. market is overseas, the lack of U.S. government leadership may hurt the position of American business.

**Sally Shelton:** Japan is the largest donor in foreign assistance in absolute terms, and the United States is number two. But out of 20 industrialized countries, the United States is number 19 in terms of foreign assistance as a percentage of its gross national product. The European Union is planning a tenfold increase in foreign aid between now and 2000, focusing primarily on the Mediterranean countries, the countries of the former Soviet Union, and eastern European nations. The EU may thus surpass the United States in foreign assistance, pushing it down to the number three spot in absolute terms. Indeed, soon the United States may no longer be a leader in development assistance. There are also new aid donors such as Korea and Taiwan. Why are these

countries committing so much to foreign assistance? The answer is that foreign aid is a form of market development. Trade and business usually go where foreign assistance goes.

What is termed the "150 account" is the international affairs budget of the U.S. government. It includes U.S. contributions to programs such as the Overseas Private Investment Corporation (OPIC), the Export-Import (Ex-Im) Bank, USAID, and the U.S. Information Agency (USIA), as well as to multilateral institutions such as the World Bank and the International Monetary Fund. The foreign affairs budget is being badly squeezed relative to other parts of the U.S. budget. In some cases, consular officers and commercial attachés who promote U.S. business are being eliminated and American businesses are left without their support when the French, the British, the Germans, and the Japanese are vigorously pushing the exports of their corporations.

**Q:** I am Tom Sampson with Leeward Incorporated. One hundred percent of Leeward's revenue and sales is international, so the company pays considerable attention to international affairs. It seems to me that the United States must confront the fundamental question of redefining foreign assistance. Should we give less money, or should we rearrange how we allocate foreign aid, perhaps by cutting the money that is given to Israel and Egypt and sending it to other countries? Regardless of whether we like it or not, the global economic and geopolitical changes of the past five years are forcing America to redefine what it does. How can we solve the problem of what to do with foreign aid?

**Jeff Dumas:** As you noted, because the world has substantially changed, it is important to reexamine how the United States gives aid. USAID emerged from the Cold War mentality of providing aid to help stop the Communist threat to one of providing assistance to create development. War is a great enemy of international business activity, but international business activity is also a great enemy of war. Increased economic interaction and trade make for a much safer world, which provides a different perspective on how the United States allocates foreign aid than the perspective of fighting an ideological opponent. Assistance should be given so that the recipients do not feel they are receiving charity. The United States should be a partner in helping recipient countries undertake projects they want to do and are committed to doing. America must rethink both the role of foreign aid in general and the process by which it gives aid.

Another issue relates to a fundamental question of economics—the difference between an expenditure and an investment. The point was made earlier that U.S. foreign aid to, for example, Taiwan has paid off well in terms of investment. Investment generates new wealth so that the country can repay its debts. In a budget squeeze, it is not economical to cut back on investment. Consider the analogy of a company whose business is not going well, and so the company decides to cut costs by reducing its advertising, undertaking less research and development, and firing half of its staff. This is not the way to succeed. It would probably make much more sense to launch a new advertising program, purchase new equipment, and lower prices. Such a forward-looking approach is more likely to succeed. From a business perspective, foreign aid can be a very effective investment if given properly.

Generating goodwill is also important in foreign aid. Again to use a business example, Apple Computer donated a number of computers to schools, which was a generous thing to do. However, because the students became accustomed to using Apple equipment, when they graduated and wanted to buy their own computers, they naturally considered buying Apple machines. The same philosophy applies to foreign aid. This is one reason why the western Europeans and the Japanese are giving so much money in foreign aid. Humanitarian concern is part of the reason for their aid, but they also know that foreign assistance is a solid business investment.

**Comment** (Tom Sampson): I have spent considerable time in meetings with the health ministers of other countries. One of the issues they invariably raise is their dislike of programs that do not consider their ideas and goals in a mutually participative effort.

**Carol Blackwood:** As I discussed earlier, there is an encouraging trend in foreign aid in which development programs involve participatory community efforts at relatively low cost. The philosophy of people directing their own programs and determining their own priorities is quite important in sustaining these projects.

**Sally Shelton:** USAID may have made mistakes in the past 30 years, but developing country governments have not always had the right ideas either. Although it is important to involve local governments in development projects, this must be carefully undertaken. Sometimes what the local govern-

ment wants does not make economic sense. For example, building schools may benefit the local government politically, but if those schools are built without the necessary investments in curriculum development, teacher training, and other essentials, the goals of development may not be attained. The United States often works with a foreign government for years to help it institute the most effective policies regarding population, health, education, and the economy. For instance, USAID has been working with the Indonesian government for five or six years in capital markets, and the government now understands that certain kinds of economic reforms have to be put in place to attract international portfolio flows. For development programs to work, both sides must reach a consensus.

**Jeff Dumas:** As I noted earlier, aid must be an interactive process. Foreign governments may not realize the capabilities of development assistance agencies and may want them to help undertake projects that the agencies simply do not know how to do. Further, development is not just a government-to-government issue. Sometimes work should be done at the community level because what the national government wants for its own purposes and what the local communities need may differ greatly. In general, national governments want to undertake larger projects, like building a huge dam as part of an irrigation project, whereas local communities want to undertake smaller projects that they need and can maintain on their own, like digging a hundred little wells.

**Sally Shelton:** An important point I did not mention earlier is that the portion of the USAID budget that goes to governments is down sharply. One-third of USAID assistance now goes to nongovernmental organizations, and that figure will soon reach 40 percent. Another portion of USAID money is delegated to multilateral institutions such as the World Health Organization. For the most part, the agency is out of the infrastructure business, and its work is primarily targeted to community-level activities. There is still a need to work with governments, however. If a government does not have the most effective policy to deal with AIDS or other health issues, for example, the work accomplished at the grassroots level will not have its desired effects. Both a top-down approach and a bottom-up approach are needed in development efforts.

**Q:** Because the rationale for foreign aid programs and the benefits to Americans have not been well

explained to the public, people have not understood them. This series of symposiums is important in that respect. It would also be very useful for businesspeople, labor people, NGO leaders, and community leaders around the country to discuss these issues at their own meetings. If the issues are publicly explored, people will see that the benefits of providing more development assistance are much greater than they had thought and that the foreign aid portion of the U.S. budget is much smaller than they had assumed. I would also like to point out that there have been examples in the past in which U.S. foreign aid was used to support corrupt dictatorships or for programs that were domestically controversial, such as family planning and some environmental projects. Can you comment?

**Sally Shelton:** During the Cold War, money did go into the pockets of dictators, such as Zaire's Mobutu Sese Seko, because they were America's allies in an ideological, balance-of-power context. I am not going to defend that policy. However, USAID is no longer working with those kinds of governments. In fact, USAID has announced that it is getting out of approximately 20 countries either because they have reached a level of economic growth where they do not need aid any longer, as have Tunisia and Thailand, or because they are not good development partners, such as Zaire and Nigeria. USAID wants good development partners for its investments to be effective.

I am not sure that I agree that population stabilization, environmental protection, and AIDS programs are all that controversial domestically. It is quite remarkable, given the current congressional makeup, that both USAID's budget to combat AIDS and, more broadly, the U.S. government's budget for AIDS research have actually increased rather than declined, primarily because there is bipartisan consensus that AIDS is a major national security threat. The debate about population stabilization is over abortion, not family planning programs. Those who do not favor abortion as an option should actually be a strong advocate of family planning because family planning makes abortion unnecessary. A woman dies somewhere in the world every minute from abortion- or pregnancy-related causes. If these women had access to safe, effective family planning programs, that number would decline or disappear. For example, a generation ago in Mexico, the average Mexican woman gave birth to about seven children; today, she has three. This enormous improvement is due to the commitment of the Mexican government and USAID to family planning programs.

**Q:** I am Nancy Steorts with an international management consulting firm, and I have also served as Chair of the Consumer Products Safety Commission in Washington. I would like Ambassador Shelton to address the issue of USAID's involvement with corporate America. How does the agency involve both large and small businesses in the process of foreign assistance, especially given the incredible internationalization of U.S. companies? Developing countries now want to export their products to the United States, so many of their companies need the assistance of people in my field, product safety, to help them understand what they need to do, what U.S. standards are, and how we have set the pace for real quality in products for the American consumer. What mechanisms have USAID put in place to work with U.S. corporations here and abroad?

**Sally Shelton:** To answer your questions about how USAID works with businesses, the agency set up a trade and investment service several years ago. Businesses can call 1-800-USAID4U if they are interested in breaking into an export market, if they are seeking a joint venture partner in a country where USAID has a program, or if they want access to USAID's procurement process. Highly trained staff walk the business through the steps involved in submitting a contract. The agency is also connected with the Center for Trade and Investment Services, and it works cooperatively with the U.S. Department of Commerce.

USAID is now on-line. It is hooked into the computer networks of most of the state development corporations around the United States. Also, it has opened offices in Los Angeles and Chicago. USAID is available to respond to American companies interested in doing business in countries where the agency has programs.

More generally, USAID conducts an ongoing dialogue with the corporate sector in a variety of areas. It has a large energy program in which energy companies are encouraged to identify their ideas on needed policy reform. This assists the agency in working with the government on energy policies so that American companies can then invest in foreign countries. USAID also works closely with many environmental companies that are interested in investing in the Egypt and the Bangladeshes of the world.

Although USAID has made mistakes over the past three decades, it is in the process of major reengineering, and the agency is now very different from the USAID of the past 30 years. The end product, it is hoped, will be a much more efficient, leaner, and more streamlined USAID.

## Interactive Session

### Implementing Foreign Policy and Defining U.S. Priorities: The Effectiveness of Foreign Assistance

#### THE INTERACTIVE SESSION'S PURPOSE

In the post-Cold War era, a domestic consensus supporting U.S. foreign policy no longer exists, especially as it relates to America's foreign aid programs. The purpose of the Interactive Session was to draw on the experiences and insights of the symposium participants to define the primary goals of U.S. foreign policy and how foreign aid can be useful in achieving these goals.

The participants were divided into three groups. Each participant individually ranked possible goals of U.S. foreign assistance, considering both the economic and noneconomic costs of the goals and their trade-offs in terms of domestic spending. The groups then reconvened to discuss the recommendations and to refine specific goals. One person was selected from each group to report its decisions to the full symposium session.

#### REPORTS FROM THE GROUP LEADERS

**Group #1:** I am Tom Sampson with Leeward Incorporated. This group had remarkable agreement on the fundamental goals of U.S. foreign policy. There was contention on some of the points, but it involved strategy more than goals. The group recommends the following: (1) promotion of economic development to establish markets for U.S. goods—essentially the furtherance of U.S. economic business development; (2) promotion of U.S. strategic security interests, which is a function of the first goal; (3) promotion of the education of all people and of women in particular, a goal at the heart of many USAID programs and a central issue for most developing countries; and (4) promotion of the granting of funds at the grassroots and community levels of the recipient country. In other words, foreign assistance should be earmarked not just for foreign governments, but also for NGOs or other private

and public foundations operating within those countries.

**Group #2:** I am Todd Adams with Summit Scientific. This group had many of the same thoughts and objectives on how foreign assistance should be allocated as did Group #1. We agreed on three primary goals, although not necessarily in this order. The first is promotion of economic development, and this means helping foreign economies to develop in ways that also benefit the United States. The second is promotion of peace and military stability. The third is improvement of humanitarian and educational conditions overseas. This goal provoked a heated discussion about the specific ways to accomplish it, so the group focused more on the general goal of creating better conditions for people around the globe.

**Group #3:** I am Krista de la Harpe, an international business consultant. Our group chose two general directions for foreign aid. First, the United States must look carefully at where its foreign aid money is going and at all the possible recipient countries and then evaluate each nation's ability to benefit from the contribution. What is the political structure of the country, what is its commitment to development, and how will it use the aid money? It is also important to identify what countries would benefit most from an initial investment of U.S. foreign aid, and what would be the economic repercussions of that aid. Second, for U.S. assistance to have as great an impact as possible, development funds should go into the private sectors of recipient countries and not into government institutions. Most members of the group also identified economic growth and a secure international environment for that growth as important goals. If aid is given to the appropriate institutions within countries, it will result in far greater investment and will promote the U.S. economy as well as the economies of the recipient countries.

## **Immigration and International Development: The Relationship Between U.S. Foreign Policy and Domestic Concerns**

*Speaker*

**Susan Martin**

*Executive Director, U.S. Commission on Immigration Reform*

I would like to summarize the recommendations of the U.S. Commission on Immigration Reform as they pertain to the foreign policy and economic development issues that are at the heart of today's discussions.

The commission began its operations in 1992, and the late Barbara Jordan became Chair the following year. She sought to develop a set of recommendations for immigration policy that would reflect the best in immigration tradition—to keep the United States a country of immigrants and a country of laws. The commission's mandate is extremely broad: to make recommendations on the implementation and impact of U.S. immigration policy. It is to look at all aspects of immigration, including its social and economic impacts, the absorption of immigrants, the demographic and environmental effects on American society, and the national security and foreign policy implications of the immigration system.

The commission has released two interim reports, each with detailed recommendations to Congress on the issues that the commission considers to be of the highest priority. The final report is due in 1997, and in the meantime the commission will

continue to examine the implications of immigration policy for America's domestic relationships. For example, how should the nation deal with the ethnic and racial diversity that immigration brings? How should the United States as a country of immigrants relate to the rest of the world?

### **U.S. IMMIGRATION POLICY REFORM**

To date, the commission has reached three main conclusions regarding immigration policy, and these are very much Barbara Jordan's legacy. The first conclusion is that legal immigration, properly regulated, is in the U.S. national interest. A well-regulated system of legal immigration enhances the benefits of immigration and protects the nation against any potential harm resulting from the entry of people into the United States. However, the commission has concluded that certain dysfunctional aspects of current U.S. immigration policies require immediate reform if U.S. immigration policy is to continue to serve the national interest and allow the country to remain a country of immigrants. The second conclusion is that illegal immigration serves no national



*(L to R) Todd Adams, Summit Scientific; Krista de la Harpe, an international business consultant; and Tom Sampson, Leeward Incorporated.*

The commission supports trade agreements such as NAFTA as a step toward the goal of providing a means for people to remain in their own countries with safety and dignity. But more is needed than these long-term approaches to enable people to stay in their own country. In fact, much of the available evidence concerning the ramifications of trade agreements on migration indicates that, in the short and medium term, such agreements actually increase migration pressures and the likelihood that people living in nearby countries will come to the United States. Because the wage gap has not yet lessened between this country and others, as economic opportunities grow and as more people receive the education and training to compete in an industrial or postindustrial economy, it is not surprising that the United States becomes even more attractive. However, experts generally agree that although trade agreements may promote movement in the short term, they are the best hope for reducing migration pressures in the long term. Once incomes equalize, migration becomes much more controllable and much more voluntary.

Because migration continues to be a major issue in international relations, U.S. foreign aid and development assistance programs should take into account short-term migration issues. Strategies should be developed that offer viable economic opportunities to help alleviate some of the migration pressures. For example, job-creation programs could be set up to support entrepreneurial activities in areas that are the source of migrants, using a community-to-community or an individual-to-individual approach. Further, programs should be instituted for

women. Often, and particularly in illegal migration scenarios, women remain in the source country with their children and older family members, while men seek economic opportunities in the receiving country. If jobs and entrepreneurial activities can be created at home, thereby somewhat equalizing the economic pull factors, women can become less reliant on remittances from the United States, and men can be drawn back to the home community.

Technical assistance to farmers and others in source countries is another area in which U.S. aid could help reduce migration by providing more effective economic opportunities than are currently available. For example, desertification is a major reason that Mexicans are coming to the United States because it is impeding their ability to remain on their farms. Land degradation, combined with the effect of NAFTA and the economic restructuring in Mexico, is creating some of the pressures on short-term migration. Technical assistance from the United States could help address Mexico's agricultural problems and thus help control immigration.

Programs to more effectively invest remittances should also be developed. Remittances from the industrialized countries to the developing world far outpace any form of foreign aid and many other types of investment in those countries. Remittances come back into the economies of developing countries in the form of hard cash that is too often used for consumer purposes rather than for stimulating economic development. A program of investment would have the dual effect of spurring economic development in developing nations and reducing migration pressures in the United States.

## PRIORITIES FOR LEGAL IMMIGRATION

Legal immigration is a different issue entirely. As noted, the commission considers legal immigration, properly regulated, to be in the national interest of the United States. However, the nation must set priorities for legal immigration and act on them. Although there are three priorities in current law, they are not defined well enough to ensure proper implementation. The commission believes that the first priority is reunification of nuclear families, with the highest priority given to spouses and minor children. U.S. immigration policy should support and defend intact families and all the benefits they bring to society. Second, a legal immigration policy is needed that admits the highly skilled workers necessary to increase and maintain U.S. competitiveness in a global economy. Third, refugee admissions are needed that reaffirm this country's traditional commitment to providing a haven for those who are persecuted.

The allowable number of immigrants should flow from these three priorities. The United States currently admits between 700,000 and 800,000 legal immigrants each year, a decline from 1992 and 1993 levels, but a major increase from levels of the 1980s. There should be a sufficient number of visas to meet the highest priorities without managing immigration through the current practice of backlogs and waiting lists. Therefore, the commission believes that the United States should provide visas to the top categories as well as a generous backlog reduction program for spouses and minor children currently awaiting entry. At present, there are 1.1 million spouses and minor children of legal permanent residents of the United States who may have to wait up to 10 years before family reunification. Because few people can tolerate being separated from their families for that length of time, this policy not surprisingly contributes to illegal immigration and undermines the family values to which the nation subscribes. However, rather than increasing immigration levels to deal with this backlog, the commission recommends transferring visas that are currently used for less close family members—that is, adult children and siblings—into this higher priority category.

The commission has concluded that employment-based immigration benefits the national interest in two ways: it enhances the global competitiveness of U.S. business, and it protects and enhances the global competitiveness of the U.S. worker. In rejecting protectionism for highly skilled, specialized workers in this country, the commission believes that a highly educated, trained, and experienced American professional will thrive on the competition that the entry of highly skilled workers brings

because economic opportunities are enhanced for all Americans. At the turn of the last century, the United States needed strong backs; at the turn of this century, it will need strong minds for the future.

By contrast, the commission recommends against the continued admission through the legal immigration system of lower skilled and unskilled workers. Although only 10,000 visas are presently used for this purpose, there is a waiting list of about 80,000, again leading to the management of immigration policy through backlogs. With the advent of welfare reform, it is necessary to rethink what it means to have unskilled workers from abroad entering the United States. Most of the welfare reform proposals would require those currently receiving public assistance to enter the job market within a specified period, which would lead to the entry of large numbers of people with little work experience who would have first priority in access to the job market. Because many of the proposals now under consideration will significantly lessen the safety nets available for those who are unskilled, there are ethical issues to consider in bringing any number of unskilled foreign workers into the country. The concept that foreigners are needed for jobs that Americans will not take should be reexamined in the context of these likely future trends.

Refugee policy is probably the one aspect of immigration policy most closely related to foreign policy. The commission firmly believes that the United States must reevaluate its priorities for the post-Cold War era. For most of the past 50 years, U.S. refugee admissions policies assisted the country's Cold War strategic interests. The United States used generous refugee admissions, primarily admitting those fleeing from Communist countries, to show solidarity with people who opposed the repression of Communism and to destabilize those countries. With the end of the Cold War, however, U.S. refugee policy should be targeted to vulnerable populations and should be much more consistent with humanitarian interests to sustain the country's historic commitment to those who are persecuted.

As discussed at the beginning, the commission is concerned not only with who comes into the country, but also with what happens to them here and with what they mean for American society and the nation. The United States is probably the most successful multiethnic country in history. How did this happen? The United States has united immigrants and their descendants from all over the world based on a commitment to democratic ideals and constitutional principles. This has occurred partly because America was founded on religious and ethnic diversity within a framework of national, political, and civic unity. America is a nation that seeks unity, not uniformity, and this is an important aspect of U.S.

society. The word for that process—Americanization—was used at the turn of the century, but it earned a bad reputation in the 1920s when it became associated with xenophobes and people obsessed with the “Red scare” and isolationism. Americanization, in its true sense, must be revitalized because it is the best way to ensure the continuation of a generous immigration policy for legal admissions, while maintaining the unity that keeps the country going.

An Americanization policy should help newcomers learn to speak, read, and write English effectively. There is a misunderstanding in this country that immigrants are not interested in learning English. In fact, waiting lists for English-training programs are exceedingly long, sometimes up to two years, in most communities in which large numbers of immigrants live. If the United States is to fully benefit from immigration, it has to provide the opportunities and the means of partnership in both the public and private sectors. Policies are needed to strengthen the civic knowledge of immigrants—indeed of all Americans. Further, a policy and a regimen should be in place that allow immigrants who want to become citizens to do so as quickly as possible after they have fulfilled the English requirements and a knowledge of civics. Currently, the waiting lists for citizenship in some communities are as long as two years as well. No one who wants to become a citizen should have to wait that long. Finally, an Americanization policy should lead to the vigorous enforcement of laws against hate crimes and of laws to deter and punish discrimination.

In her last appearance before Congress, Barbara Jordan testified: “Progress in America is not an accident. It was immigration that drove us down the track toward a broader and more truthful vision of ourselves. It was immigration that taught us that in this country it does not matter where you come from or who your parents were. What counts is who you are.” These words must be the basis for both future U.S. immigration policy and the relationship of the United States with the rest of the world.



### *Question and Answer Session*

**Comment:** The commission’s recommendations have been criticized by groups such as immigration lawyers and Catholic charities. An enormous effort should be made to inform the public about the significance of these recommendations, just as you have explained it to us. As a member of the Committee for Immigration of the State Bar of Texas, I have worked with the Mexican immigration problem for many years. When I first became involved,

a Mexican official insisted that under Mexico’s constitution, the Mexican people could go anywhere they wanted to, and thus Mexico could not collaborate in limiting its migration flows. It is most encouraging to hear that the commission recommends working directly with the source countries to create economic development and thereby reduce the push factors of illegal immigration. This is the great hope for the future.

**Susan Martin:** It is true that some misunderstanding exists about what the commission has tried to do. What I have presented here is the essence of its recommendations. Not everyone likes the way we chose to get to some of these points. The basic premise of the commission was that, to protect legal immigration, a credible immigration system must be in place to deter illegal entry and to set priorities regarding who should enter. The commission has been criticized for recommending that siblings of U.S. citizens no longer be admitted. This is not anti-family but an attempt to have visas that are being used for adult siblings instead go to spouses and minor children. It is a matter of balancing interests. Perhaps there are some in this country who consider adult siblings to be a closer family relationship than a wife and young children, but the commission reached the opposite conclusion—that the national interest is in having intact nuclear families. Further, there is a backlog of 1.6 million brothers and sisters who have applied for entry into the United States. Those who are arriving now applied 14 years ago. Those who apply today will enter in 25 or 30 years. If someone from the Philippines applied today for a visa, he or she would be eligible for admission in 44 years. Many people have stopped applying for these categories because the wait is ridiculously long.

Regarding your point about Mexico, there is a growing set of common interests between Mexico and the United States revolving around immigration. There is a common interest in stopping smuggling, which creates problems for both societies. There is also a common interest in reducing the violence along our mutual border, especially where illegal immigration and drug trafficking create some of that violence or the circumstances in which the violence proliferates. Further, the two countries have a common interest in speeding traffic legally through the ports of entry. Differences will no doubt remain, but Mexico and the United States can build on their common interests and use them to address their differences.

**Q:** Did anyone put a price tag on the commission’s recommendations regarding illegal immigration compared with the cost of just continuing to let illegal immigrants in?

**Susan Martin:** The commission itself put price tags on elements of its recommendations because immigration problems, either in illegal or legal areas, cannot be handled without putting in some resources. In my experience, the Clinton administration is the first administration to take the Immigration and Naturalization Service seriously by putting the resources and management structures into what was in the past an ignored, underfunded, and mismanaged agency. According to estimates made by the Urban Institute for the Office of Management and Budget, the costs to the seven states that receive 70 percent of illegal immigrants are approximately \$3 billion per year. Almost all of the proposals under discussion cost much less. The INS now has about \$2 billion in its entire budget to cover its border enforcement, its interior enforcement, and its legal immigration-related activities. The verification system that the commission has recommended, including developing a pilot program and testing a new verification process (once the INS data support it), is estimated to cost about \$300 million over five years to set up and run. Once the new system is in place, the cost to operate it will be in the \$30-\$60 million per year range, so much can be done with far less than is currently being spent.

**Q:** Can you comment on a recent study that argues that illegal immigration is a burden but not a big problem?

**Susan Martin:** There are two reasons why I do not agree that illegal immigration is merely a burden. One is the financial impact on society of absorbing

illegal immigrants. More important, even if it could be proved that the country benefits economically from those who come here illegally, why should the United States allow the breaking of the law to be the mechanism by which it gets that benefit? To me, the quintessential issue of illegal immigration is that it undermines the U.S. commitment to the rule of law. If the country is to benefit from something, it should do so legally.

**Q:** What is your prognosis for getting bipartisan political support for the programs that you have discussed?

**Susan Martin:** The commission's two interim reports were bipartisan consensus reports. Members of the commission approved the report on illegal immigration by nine to zero and the report on legal immigration by eight to one. So support within the commission was quite strong. The commission includes extremely conservative Republicans and extremely liberal Democrats, and forging a consensus within that group was actually a microcosm of how to forge it in society. There were substantial differences of opinion over elements of the recommendations, particularly the verification system, which will be tough to get through Congress. While there can be legitimate disagreement on the specific ways of achieving these recommendations, I hope that there is consensus on priorities in terms of deterring illegal immigration, supporting and sustaining legal immigration, and incorporating immigrants into American society. If agreement can be reached on these three goals, I think everything else is negotiable.



(L to R) Malcolm R. Lovell, Jr., NPA President and CEO; Richard Kruiuzenga, Senior Fellow, Institute for the Study of Earth and Man, Southern Methodist University; Byron Charlton, Executive Director, African-American Labor Center, AFL-CIO; Bob Stallman, President, Texas Farm Bureau Federation; and Robert Dean, former U.S. Ambassador to Peru.

## **Foreign Assistance: Bridging the Concerns of Labor, Business, and Foreign Policy Leaders**

*Speakers*

**Bob Stallman**

*President, Texas Farm Bureau Federation*

**Byron Charlton**

*Executive Director, African-American Labor Center, AFL-CIO*

**Robert Dean**

*Former U.S. Ambassador to Peru*

### ***Bob Stallman***

I would like to give the agricultural industry's perspective on foreign aid, specifically food aid and those programs that directly affect the agricultural industry.

#### **AN OVERVIEW**

Basically, it is the policy of the agricultural industry to support humanitarian food aid. The industry wants to use the enormous productive agricultural capabilities in this country to improve the quality of life for all people, to reduce political tensions that lead to expensive wars, and, by extension, to promote democracy and strengthen the U.S. economy through the development of agricultural markets. The agricultural industry approaches the food aid question from two different directions. One is a basic humanitarian concern. Because the United States has tremendous productive capabilities in terms of providing food for the world, no one should have to go hungry. The other is a concern with

the promotion of business. The agricultural industry hopes that the countries and the people receiving U.S. products will like them and become customers, thereby promoting U.S. industry. The agricultural industry also supports securing a strong commitment from the federal government to provide leadership in combating world hunger. This is directly related to increasing the funding and promotion of Public Law 480 (PL480) and other concessional sales programs. The industry wants to maintain the reputation of the United States as a reliable supplier of food. When the United States cut off food aid to Iraq as part of U.S. security policy, this affected other countries' view of America as a reliable supplier of food. The industry position is that making food aid donations in agricultural commodities as opposed to giving cash is better for the industry in this country.

#### **U.S. FOOD AID PROGRAMS**

The PL480 program has three titles. Title 1, Trade and Devel-

opment Assistance, is operated by the U.S. Department of Agriculture (USDA) and provides for government sales of agricultural commodities to developing countries for dollars on credit terms or for local currencies. It also provides for payment in terms of up to 30-year low interest rates and significant grace periods. The main focus of Title 1 is on countries that have a shortage of foreign exchange earnings and have difficulty meeting their food needs through commercial channels. Titles 2 and 3 are operated by the U.S. Agency for International Development. Title 2, Food for Peace, pertains mainly to the provision of direct humanitarian donations of U.S. agricultural commodities for emergency and nonemergency food needs. The donations may be provided under government agreement or through public and private agencies, including intergovernmental organizations such as the World Food Program and multilateral organizations. Title 3, Food for Development, provides for government-to-government grants to support long-term growth in the least developed countries. Donated commodities are sold on the domestic market of those countries, and the revenue from the sales is used to support economic development programs.

Other programs include the Section 416B program, authorized under the Agricultural Act of 1949, that provides overseas donations of food and feed commodities owned by USDA's Commodity Credit Corporation. These donations are restricted in that they are not permitted to reduce the amount of commodities that are traditionally donated to domestic food programs or to agencies. There is also the Food for Progress Act of 1985 that provides commodities to countries that have made commitments to expand free enterprise in their agricultural economies. Those commodities can be allocated under the authority of either PL480 or Section 416B. A commercial export program, the Export Guarantee Program, commonly known as GSM102 and GSM103, provides guarantees for repayment of short-term financing. GSM102 is for six months to three years, and GSM103 is for three to seven years. These programs are not usually considered to be food aid, but they can help countries obtain our products when they have temporary payment or foreign exchange problems. To become involved in these programs, a country must be deemed credit-worthy by the U.S. Secretary of Agriculture. Currently under consideration is providing GSM103 credit of up to \$100 million or so to Mexico to replenish livestock destroyed by the drought or sold because of the peso devaluation. This could have an immediate impact on Texas if the Mexicans buy the cattle from Texas. Although this is a commercial program, it has an impact on aid.

## **POLICY ISSUES CONCERNING FOOD AID**

PL480 is currently tied up in Congress with the reauthorization of the Farm Bill, which leaves many farmers waiting expectantly to see what the government is going to do regarding farm policy. Those involved with PL480 have the money appropriated, but no authorization for the program.

Another issue concerns the cargo preference provision of PL480 that requires commodities to be shipped on U.S.-flag carriers. Fifty percent of that cost is funded by USDA and 25 percent by the U.S. Department of Transportation (DOT). The original purpose of this provision was to support the U.S. merchant marine fleet, but the problem is that it has reduced the amount of money available under PL480. Freight costs have increased because, in general, U.S.-flag carriers operate at higher costs than do other carriers. There are also logistical problems because U.S. carriers are not always available when needed. Further, DOT reports that the program has not done much to maintain the viability of the merchant marine fleet, and this raises a policy question. In a time of reduced budgets for PL480 funding or for food aid funding, should the United States maintain the cargo preference provision? The agricultural industry would say no; others, including some attending this symposium, would say yes.

From time to time, there is discussion about moving all food aid programs under one authority. In my opinion, the agricultural industry would be opposed to that proposal. The industry would prefer that food aid programs remain where they are because of the expertise that already exists to administer the programs and because of concern that the programs could be diluted if they were moved under an umbrella agency.

## **THE FUTURE OF FOOD AID POLICIES**

Developments in agricultural technology and the internationalization of food trade will affect future U.S. food aid policies. With the U.S. budget under scrutiny, it will be difficult to maintain even the current levels of funding for food aid programs. In fact, Title 1 and Title 3 of PL480 have both been reduced. Although Title 2, the direct assistance program, has been left alone so far, there will be pressure to reduce its funding as well.

Farm policy changes in the United States and worldwide, in part because of agreements reached in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), will increase the price of commodities. Thus, given a set amount of dollars, fewer commodities can be purchased and used to provide food aid. As prices increase, there will be

ment-run programs and encouraging the private sector where possible. To the extent that the United States can promote free enterprise and productivity on the part of labor and agriculture, there is a chance to do something about development problems.

Harrison also lists seven conditions to encourage development: (1) the expectation of fair play; (2) the availability of educational opportunities; (3) the availability of health services; (4) the encouragement of experimentation and criticism; (5) the matching of skills to jobs; (6) rewards for merit and achievement; and (7) stability and continuity. Within this framework, effective development assistance programs can be instituted and opportunities generated.



### *Question and Answer Session*

**Comment** (Byron Charlton): The African-American Labor Center, which I represent, runs a number of programs in Africa that are designed to do what Ambassador Dean has outlined. These programs have a twofold purpose—to promote democracy and to develop training. The center does not influence the political choices of the recipients, but rather tries to help them develop democratic institutions because such institutions are a microcosm of a democratic society. The center has programs on contract negotiation and in business administration. It has agricultural cooperative programs, medical cooperative programs, and vocational training programs that benefit not only the trainee, but all of society in the country. Almost 90 percent of the funding for these programs comes from USAID.

**Q:** Bob Stallman discussed the PL480 provision that requires food aid to be shipped on U.S.-flag carriers to help the U.S. merchant marine fleet. Has this program helped? Would not allowing other companies to compete against the merchant marines be a better way to ensure the efficiency and longevity of the fleet?

**Bob Stallman:** The PL480 cargo preference provision does not seem to be helping sustain the U.S. merchant marine fleet. In fact, as I noted earlier, the provision adds to the cost of shipping and reduces the amount of money available to purchase products for food aid programs. I agree that competition would be a better way to maintain an efficient U.S. merchant marine fleet, but Byron Charlton may have a different opinion.

**Byron Charlton:** Actually, the issue is about other countries, not other companies. The United States

has a trade deficit in part because of restrictive foreign laws that hinder its capacity to export. If America could sell its products without the restrictions and tariffs that have been put in place by other countries, U.S. jobs would be created. The point is that the United States has almost lost its merchant marine fleet partly because of these limits on U.S. exports. In terms of national security and the national interest, the loss of the merchant marine fleet would put the United States in a very weak position in wartime or in any national emergency because the country would have to depend on foreign carriers. During World War II and the Korean War, U.S. shipyards built not only military ships, but also merchant ships. Today, almost 95 percent of the ships built in American shipyards are for the military, so the country does not build its own civilian ships, nor does it have an adequate merchant marine fleet. This is not in the best interest of America. The PL480 program may not have increased the number of merchant marine jobs, but it benefits the nation.

**Bob Stallman:** There are some good arguments for subsidizing the merchant marine fleet for national security purposes. However, the real question is whether the country should be using money from the food aid program for these subsidies as opposed to using another, more appropriate mechanism.

**Comment:** The issue of whether government subsidization of the merchant marine fleet is effective leads to the more general issue of private sector involvement in development instead of government. There are many private organizations like World Neighbors that carry out aid and development programs. Maybe the U.S. government and USAID should get out of these programs and the money be made available to these private groups. When individuals are allowed to make their own choices and to get involved in an enterprise, they become part of the process and receive part of the rewards.

**Robert Dean:** I agree with your point. Some private organizations are involved in aid and development for humanitarian reasons, with no profit in it for any of them. And privatization is not the total answer. There is still a role for government, and a need to maintain a fair and favorable environment with certain restrictions and controls to avoid roadblocks and abuses. However, the general rule is to involve the people who will be affected in the management of programs. Giving them control and a share in any profits will help them do a better job.

**Byron Charlton:** I agree that the role of the private sector is important and that there are some-

times too many government regulations. Nevertheless, a minimal level of regulation is necessary to combat the abuses that inevitably occur without them. I think the government has a certain responsibility to American taxpayers to ensure that their foreign aid dollars are used wisely and honestly. Everyone involved in foreign aid is not a volunteer, and people are making money from it. There is nothing wrong with that. Private organizations are doing some good and positive things such as promoting business, which is necessary to promote and develop markets in other countries. But at the same time, some regulations are needed because whenever there is money to be made, there is corruption. With total privatization, everything is done for profit alone. In the former Soviet Union, much of the opportunity arising from liberalization has been wasted, and organized crime gangs are running the country. This situation was created because of a lack of government participation. There has to be a balance between government and private sector involvement.

**Bob Stallman:** While government involvement is necessary, given the current trend toward reductions in funding, there will be an opportunity for private institutions to do some really good work. For example, the American Farm Bureau Federation is involved with a growing number of agricultural organizations in the former Soviet Union. Certain U.S. state chapters have committed to work with their counterpart farmer groups in Russia. The Russian organizations want to see how U.S. democratic institutions are structured and how they as farmer organizations can structure themselves to become effective in dealing with various levels of government. They also want to learn about U.S. agricultural production technologies and marketing infrastructure. The state chapters take them around the country to show them what American farmers are doing, and they are so impressed by U.S. productive capabilities that they want to implement those technologies on a small scale in their country. For instance, the Kansas Farm Bureau helped a women's group in Ukraine to develop canning facilities so that they can take the produce from their relatively small plots, can it, and sell it in the marketplace. Often, it is through this type of small activity that private institutions can do a lot of good.

**Byron Charlton:** I would like to offer an example of how both the recipient and the donor country can be harmed from a lack of oversight. Several years ago, a U.S. assistance program led to the shutdown of the textile industry in the United States

and to the export of those jobs to Latin American countries. Part of the material put out by the organizations running the training programs in Latin America included a poster of a young Latin American woman sitting at a sewing machine, working for 57 cents an hour. The same poster was used the next year, but showing a different wage—37 cents an hour. The training programs increased jobs there, but by exploiting the workers, and this led to the loss of jobs for American workers. Labor recognizes that this is a global economy, but the United States must do what it can to protect the American worker, who is a consumer of everyone's products.

**Q:** The Farm Bureau's project with the former Soviet Union is a fine example of voluntarism by the private sector. Another is a program in Dallas that collects unused medical supplies and exports them to developing countries. What is the relationship between government funding and the voluntary actions of U.S. citizens?

**Nita Christine Kent:** The private organizations doing this kind of work would say that they are working to the utmost of their capacity, with very efficient staff trying to raise private money for them and through private donations. But there are so many unfilled needs in the developing countries that if USAID were to disappear, private organizations could not easily fill the gap that would be created.



**Malcolm Lovell:** It is clear from listening to all of these discussions that the question is not whether the United States should have an aid program, but how to gear our aid efforts to be more effective. How can America invest its resources to obtain the greatest response? If we do not like what is happening, we should change our strategy but not take our eyes off the basic goals of aid and development.

Just as today's proceedings were intended to get your input on U.S. aid and development strategies, we at NPA want to tap into your experiences and competencies to help us decide how we proceed in our Aid and Development Project.

I want to thank all of our sponsors whose tremendous contribution has made this symposium such a success. Most of all, I want to thank all of you in attendance. As our discussions today have concluded, the United States, as the most powerful nation in the world, can make an enormous difference. We should measure up to this responsibility.

## NPA's Aid and Development Project: Seminars and Working Breakfasts Through July 1996

### SEMINARS

*Seminar #1, U.S. Foreign Aid and Development: Goals and Strategies for the Post-Cold War World* (New York, January 27, 1994)

Topics included:

- The Post-Cold War Shift in Aid and Development Policies
- Clinton's New Aid Proposal
- The Impact of Development Assistance on Economic Success and Failure in the Developing World
- Aid and Development Goals and Strategies in the CIS and Eastern Europe
- Business and Labor Views on Post-Cold War Era Aid

Sponsors: Citibank; and Amalgamated Clothing and Textile Workers Union (ACTWU)

*Seminar #2, U.S. Foreign Aid and Development Assistance: What Should We Be Doing?* (Seattle, May 18, 1994)

Topics included:

- The Clinton Administration's Vision for Aid
- How Does the United States Compare with Other Aid-Giving Nations?
- Are Lessons from East Asia's Development Transferable?
- International Trade and Human Rights in China—The Implications for Aid and Development
- Views on Aid and Development from the Business, Labor, and Environmental Communities

Sponsors: Trade and Development Alliance of Greater Seattle; SeaFirst Bank; and AFL-CIO Region IX

*Seminar #3, Sustainable Development vs. Food Aid: Conflict or Confluence?* (Des Moines, June 28, 1994)

Topics included:

- Sustainable Development or Food Aid?
- Agricultural Reform—Precursor to Growth in Developing Nations
- Sustainability—The Outlook for Agricultural Policy in the Developing World
- Lessons to Be Learned from Two Decades of Experience

Sponsors: Pioneer Hi-Bred International, Inc.; and AFL-CIO Region XII

*Seminar #4, U.S. Foreign Aid: Fostering Economic Development* (Chicago, October 6, 1994)

Topics included:

- From Foreign Aid to Economic Growth: Policies and Realities
- Private Sector Involvement in Development
- Attacking Poverty and Creating Jobs: The March 1995 U.N. World Summit on Social Development
- The Politics of Foreign Aid and Economic Development
- Promoting Sustainable Economic Growth: Business and Labor Perspectives
- Setting Priorities for Sustainable Economic Development

Sponsors: McDonald's; Illinois Department of Commerce and Community Affairs; Ameritech; Illinois State AFL-CIO; and AFL-CIO Region I

*Seminar #5, U.S. Foreign Assistance Priorities: Responding to Humanitarian Crises* (Atlanta, January 26, 1995)

Topics included:

- U.S. Foreign Assistance Strategies: Addressing Global Crises
- The Effectiveness of Past Efforts—What Works, What Doesn't
- The Politics of Humanitarian Intervention
- Policy Options for the Future: Creating Priorities for Humanitarian Relief Programs

Sponsors: Citibank; AFL-CIO Region V; Spelman College; and Southern Center for International Studies in Atlanta

*Seminar #6, The Business of Foreign Aid: Paying for the Programs* (Pittsburgh, April 20, 1995)

Topics included:

- U.S. Foreign Assistance Strategies
- U.S. Foreign Assistance Spending
- Establishing Foreign Aid Goals
- The Politics of Foreign Aid Funding
- The Future of Foreign Assistance
- Designing a Foreign Aid Budget

Sponsors: United Steelworkers of America; AT&T; AFL-CIO Region III; and Pittsburgh Council for International Visitors

*Seminar #7, Foreign Aid: An Instrument of U.S. Leadership Abroad* (San Francisco, July 13, 1995)

## Topics included:

- U.S. Leadership and U.S. Foreign Aid
- Defining Foreign Policy Goals in the Post-Cold War World
- The Challenge of Global Diversity and the Role of Foreign Assistance
- Democracy, Human Rights, and Free Markets
- International Assistance: Leading Alone or Acting Together?

Sponsors: Bank of America; AFL-CIO Region VI; Levi-Strauss; ACTWU; Charles Schwab and Co.; and Pacific Gas Transmission Co.

*Seminar #8, Foreign Aid: An Instrument of U.S. Leadership Abroad* (Boston, November 16, 1995)

## Topics included:

- U.S. Leadership and U.S. Foreign Aid
- Implementing Foreign Policy and Defining U.S. Priorities: The Effectiveness of U.S. Foreign Assistance
- The Role of Aid and Development Policy in a Free Market Economy
- Foreign Assistance: Bridging the Concerns of Labor, Business, and Foreign Policy Leaders

Sponsors: Bank of Boston; New England Regional AFL-CIO; Communications Workers of America; NYNEX; World Affairs Council of Boston; MIT's Center for International Studies; and Environmental Business Council of New England

*Seminar #9, Foreign Aid: An Instrument of U.S. Leadership Abroad* (Dallas, January 25, 1996)

## Topics included:

- Immigration and Its Links to International Development
- The Relationship Between U.S. Foreign Policy and Domestic Concerns
- U.S. Leadership and U.S. Foreign Aid: Bridging the Concerns of Labor, Business, and Foreign Policy Leaders

Sponsors: Exxon; AFL-CIO; Texas Farm Bureau Federation; International Small Business Development Center; World Affairs Council of Dallas; Institute for the Study of Earth and Man at SMU; and Dallas Young Professional League

*Seminar #10, Foreign Aid: An Instrument of U.S. Leadership Abroad* (Los Angeles, May 14, 1996)

## Topics included:

- What Is the Place for Aid and Development Policies in the United States Today?
- Foreign Assistance: Bridging the Concerns of Labor, Business, and Foreign Policy Leaders

- Implementing Foreign Policy and Defining U.S. Priorities: The Effectiveness of Foreign Assistance

Sponsors: Charles Schwab and Co.; AFL-CIO; Citibank; AFL-CIO Department for Professional Employees; AFL-CIO Region VI; and Export Small Business Development Center

*Seminar #11, Foreign Aid: An Instrument of U.S. Leadership Abroad* (Detroit, July 18, 1996)

## Topics included:

- U.S. Leadership and U.S. Foreign Aid
- Implementing Foreign Policy and Defining U.S. Priorities: The Effectiveness of U.S. Foreign Assistance
- Foreign Aid: A Giveaway or a Matter of National Interest?
- Foreign Assistance: An Enabling Factor in Creating Cooperation Among Business, Labor, and Foreign Policy Leaders

Sponsors: General Motors; AFL-CIO; United Auto Workers; Michigan Small Business Development Center; and Detroit Council for World Affairs

**WASHINGTON WORKING BREAKFASTS**

*What Should U.S. Aid and Development Priorities Be?* (November 16, 1993)

Speakers: *John Sewell*, President, Overseas Development Council  
*Larry Q. Nowels*, Specialist, Foreign Affairs, Congressional Research Service

*The Clinton Administration's Restructuring of Foreign Aid and Development Assistance Policy in the Post-Cold War World* (March 1, 1994)

Speakers: *J. Brian Atwood*, Administrator, U.S. Agency for International Development (USAID)  
*Judge Morris*, Senior Director, International Trade, National Association of Manufacturers  
*John T. Joyce*, President, International Union of Bricklayers and Allied Craftsmen

*Democracy and Free Markets: What Are Our Priorities?* (April 18, 1994)

Speakers: *Wayne Angell*, Chief Economist and Senior Marketing Director, Bear, Stearns & Co., Inc., and former Governor, U.S. Federal Reserve Board  
*Ronald Blackwell*, Assistant to the President for Economic Affairs, ACTWU

*Population Growth and the Global Environment:  
U.S. Foreign Assistance Priorities* (July 11, 1994)

Speakers: *Tom Merrick*, Senior Population Advisor,  
World Bank  
*William Klinefelter*, Legislative Director,  
Industrial Union Department of the AFL-  
CIO  
*John Shlaes*, Executive Director, Global  
Climate Coalition

*U.S. Foreign Assistance Priorities in the Middle East*  
(September 20, 1994)

Speakers: *William B. Quandt*, Byrd Chair in Gov-  
ernment and Foreign Affairs, University  
of Virginia  
*David L. Rboad*, Deputy Director, Office  
of Middle East Affairs, USAID  
*Morton Babr*, President, Communications  
Workers of America

*U.S. Foreign Assistance Strategies in the Former  
Soviet Union* (November 18, 1994)

Speakers: *Clifford Gaddy*, Research Associate,  
Brookings Institution  
*Richard Wilson*, Director of the Office  
for Eastern Europe and the Former Soviet  
Union, Free Trade Union Institute, AFL-CIO  
*Ilya Osbman*, Vice President, Fund for  
Large Enterprises in Russia

*U.S. Foreign Assistance Policies: A Congressional  
Perspective* (February 28, 1995)

Speaker: *Benjamin Gilman* (R-NY), Chair, House  
International Relations Committee

*Foreign Aid to Africa: How Can U.S. Interests Best  
Be Met?* (June 12, 1995)

Speakers: *John F. Hicks*, Assistant Administrator for  
Africa, USAID  
*David H. Miller*, Executive Director, Cor-  
porate Council on Africa  
*David F. Gordon*, Senior Democratic Pro-  
fessional Staff Member, Committee on  
International Relations, U.S. House of  
Representatives

*U.S. Aid, Capital Flows, and Development in Latin  
America* (September 26, 1995)

Speakers: *Mark Schneider*, Assistant Administrator  
for Latin America, USAID  
*William Doherty*, Executive Director,  
American Institute for Free Labor Devel-  
opment  
*Ricardo Hausmann*, Chief Economist,  
InterAmerican Development Bank

*Alternative Approaches to Foreign Aid in Asia:  
Where Do U.S. Interests Lie?* (December 7, 1995)

Speakers: *Kenneth P. Hutchinson*, Executive Direc-  
tor, Asian-American Free Labor Institute  
*Erland Heginbotham*, Director, Gateway Ja-  
pan, National Planning Association  
*Carl J. Green*, Director, Georgetown Uni-  
versity Law Center

*Innovation by Necessity: Strategies for More Effective  
and Less Costly Development Assistance* (March 5, 1996)

Speakers: *Colin I. Bradford, Jr.*, Assistant to the Ad-  
ministrator, Policy and Program Coordi-  
nation, Chief Economist, USAID  
*Byron Charlton*, Executive Director, Afri-  
can-American Labor Center, AFL-CIO  
*Erland Heginbotham*, Senior Fellow, Na-  
tional Planning Association

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