

Elevating Development Assistance

Secretary of State Hillary Clinton's January 6 address at the Center for Global Development in Washington called for the "elevation" of the development mission and an end to the old debates that have divided the diplomatic and development communities. She urged a new "mindset" to "replace dogmatic attitudes with clear reasoning and common sense." Her remarks were a welcome reflection of this approach; they were based on sound development thinking and set forth a serious challenge for her State Department and USAID colleagues.

What remains for the Secretary and the Administration is to transform this articulate commitment into an operational reality. Two major studies, a Presidential Study Directive (PSD) and a Quadrennial Diplomacy and Development Review (QDDR), presumably will address the difficult issues of strategy, means, and organization that remain. These more mundane but vital bureaucratic challenges must be addressed if the Secretary's worthy vision is to become a reality.

How does the Administration define the word "elevate" in terms of resources, structure, and policy? At this writing, we can only guess. As someone who has held executive positions in both State and USAID, I want Secretary Clinton's vision to be realized. However, there are hurdles to overcome.

USAID, from its beginning in the Kennedy Administration, has been seen as the premier development agency within the international donor community. It led that community toward highly innovative interventions in economic reform, health, education, democracy/governance, agriculture, and the environment. These interventions and the evolution of a comprehensive, internationally-accepted development strategy, backed by financial commitment, formed the basis of American leadership in development.

Over the past 20 years that leadership capacity has eroded significantly, though not entirely. Overwhelmed by earmarks and intrusive oversight, USAID has become risk averse and less innovative than in the past. Administrations and congresses of both parties have viewed development as less important in the post-Cold War world and they deemphasized and defunded USAID. Meanwhile, particularly after the fall of the Berlin Wall, development resources were dispersed to domestic departments, creating serious policy and program disconnects and a huge coordination problem while, at the same time, weakening USAID.

The perceived importance of development has changed of late as political leaders have begun to relate our security challenges directly or indirectly to the condition of poverty. It helped to have a conservative president introduce the concept of the "3Ds" – defense, diplomacy, and development – as integral to our national security strategy.

Our defense and diplomacy missions are overwhelmed with crises. Yet, we devote few resources to prevention, which is what development is all about. The challenge today is to organize the 3Ds to more effectively address the crises while investing meaningful resources in an effective and focused prevention institution centered at USAID and State.

Secretary Clinton said on January 6 that mention of the word integration "sets off alarm bells." Many, she says, interpret this as "giving up our long-term development goals to achieve short-term objectives...." This will not happen, she avers. Rather, we will "leverage the expertise of our diplomats and military on behalf of development."

I believe that a degree of integration can and should occur. However, even this must be undertaken with care and respect for the primary functions of each of the Ds. The culture of each of the institutions is very different, though global challenges have forced more convergence than ever before. I believe it is now highly likely that Secretary Clinton can achieve significant integration in crisis management and create a “culture of prevention” at State and USAID by elevating our long-term development goals and aligning our diplomatic objectives with them.

The Diplomatic Mission

To accomplish this, diplomats, always strapped for the resources they need to influence behavior or to leverage international agreements, will have to gain an appreciation for investments in long-term development. Diplomats tend to work with shorter time frames, and much of their work is done with counterparts from foreign ministries or other embassies, not civil society (though State officers working on human rights issues are an exception). They will have to become better advocates for effective development by becoming better acquainted with long-evolved development thought.

Effective diplomats learn the language, the culture, and the political and economic factors that form the interests of the host country. Their task is to explain and promote U.S. interests while informing the policy process through reporting and analysis on the host country. The relationship developed in this exchange need not be adversarial, but it always will require the management of a degree of tension. The national interests of two nations never are fully compatible, even on an issue where both agree on a common goal. There are other aspects of a diplomat’s role, but the essence is successfully managing this tension.

The diplomatic mission clearly is aided when there are resources available to smooth over differences or to create a better climate. The promotion of U.S. interests in trade, finance, security, cultural exchange, and, increasingly, to support common efforts to confront global problems, is not achieved by goodwill alone. A negotiation over a dispute can often be facilitated by the provision of some form of compensation.

As former career diplomat Chas. Freeman has written, “The joining of will to strength and potential produces power.” The power of the United States has been heavily weighted toward political, economic, and military factors. Now, a consensus is emerging that leadership in development – the effort to mitigate the effects of poverty by helping poor nations help themselves – both promotes American power and serves American security interests.

The Development Mission

The development professional’s relationship with a foreign counterpart is different from that of a diplomat. Ideally, it should be devoid of tension in that it should involve a cooperative partnership to achieve a common goal. Strategies are developed with government ministries and civil society partners, and projects are designed and implemented after agreement has been reached as to the results to be achieved. A good development professional, like a good diplomat, understands the history, culture, political, economic, and sectoral factors of the partner. Yet the goal is mutual trust. The idea is to develop a long-term, enduring relationship that will produce development change and results over time. The success of the host country equals the success of the development mission.

Political environments in developing countries are complex, however, often characterized by power struggles, weak institutions, and social tensions created by poverty. Development

results mean positive change – at least theoretically – but not all parties in a host nation welcome change. Gaining the acquiescence of a government to work with segments of society to achieve development goals often is an obstacle requiring diplomatic skill to surmount. Outside pressure may even be needed, though excessive pressure can undermine the partnership essential to achieve development results, and, in the worst case, can even put a private group or individual at risk.

Diplomats and development professionals have to work out these issues. Usually this is done at the country team level – a good forum for discussing the broad range of US interests in a country. Yet, it is not always easy to decide that long-term reform should be promoted and leveraged when short-term objectives involving a particular U.S. interest might be negatively affected. A case in point is Egypt, where the U.S. government has important geo-strategic interests at stake yet the government does not want USAID funding organizations that promote democratic change. (Egyptian Government restrictions on USAID funding have been somewhat circumvented by the State Department’s Middle East Peace Initiative (MEPI) program which funds local organizations directly).

There are other more nuanced tensions between diplomatic needs and development objectives, but work in the democratic/governance area arguably produces the most strain. The best way to resolve this is to make it clear to diplomats and development professionals alike that supporting human rights and democratic reform is the default position for U.S. foreign policy. It is an overriding value, though its pursuit always must take other factors into account.

Better coordination and effective integration will require development professionals to yield and change their culture as well. Too many want to focus on the field project and are unwilling to appreciate the broader policy challenge. They tend to be excellent technocrats, though many have become superb program managers and a few have become strong development policy advocates. Yet USAID’s voice is not often heard in policy circles in Washington. A strong Administrator will help, and Dr. Rajiv Shah will be that, but he will need an effective policy staff as well. When the State Department created the position of Director of Foreign Assistance, the USAID policy bureau was eliminated. This badly debilitated the leadership capacity of USAID among donors and virtually eliminated its policy role within the U.S. government. Administrator Shah will restore this vital office.

Development assistance is an essential part of the solution, but coherent, reinforcing policies in the international trade, finance, agriculture, and environmental areas are equally important. If development is to be truly elevated, its professionals will need to step up and lend their voices and professional expertise to the policy debate on these issues. This has to happen at all levels, from the embassy to the White House. Too often, major decisions affecting the developing world have been made without hearing the positions of those who truly understand the impact on developing countries.

There is a strong correlation between conditions of underdevelopment and various forms of violent conflict. Sociologists Sampson, Raudenbush, and Earls, in a 1997 study, examined race and class segregation in poor Chicago neighborhoods. Poverty, they concluded, was an obstacle to “collective efficacy,” or social cohesion among citizens. Paul Collier’s research for The Bottom Billion confirms the existence of a “conflict trap” in areas inflicted with extreme poverty. The conclusion drawn is that the greater the effect of resource deprivation, the stronger the correlation to the level of violence. This linkage should not be ignored by military personnel, diplomats, or development professionals.

USAID officers often are reluctant to see their contribution in the context of crisis prevention. Overall, what they do contributes to progress and stability, but too often a crisis dismantles the development objective. In a poor, developing country, these breakdowns occur often, but some are avoidable. Being more effective crisis prevention agents means having a better appreciation of a society's fault lines, its fragilities. Where, for example, over the span of a coming decade, are weaknesses most likely to cause civil unrest? What are the antidotes to a future crisis? Stronger governmental institutions? A reduction of child mortality rates? Micro-economic systems that support higher growth rates?

Development missions with stronger ties to civil society and a better appreciation of the relationship between institutions and citizens have the information they need to do this kind of analysis. However, their priorities are more often dictated by earmarks and more narrowly, sector-based country strategies. Analysis of a society's fault lines is discouraged, sometimes by diplomats afraid of offending the sitting government, and sometimes by risk-averse development professionals.

Finally, USAID must develop the capacity to measure results and to evaluate its programs. The agency's evaluation office was eliminated in the Bush Administration. This staff was able to look deeply into projects and approaches to development with a constructively critical eye. Often their reports created consternation on the part of the implementers, but they invariably revealed weaknesses and recommended changes in approach. USAID cannot perform its role as a leader in development if it is not self-critical. The agency should demand intellectual honesty and urge both the Executive and Congress to hold it accountable for achieving results. This applies as well at the mission level where some percentage of resources should be devoted to evaluation.

The Defense Mission

Generally speaking, military personnel have made greater strides in understanding development than have diplomats because they have had to try their hand at it. The acceptance of "stability operations" as part of mainstream military doctrine and the availability of abundant resources have encouraged the military to take on projects that formally were part of USAID's mission. While many retired military commanders – and Secretary of Defense Robert Gates himself – have raised serious doubts about the merit of this becoming a military mission, it is quickly becoming a part of the personal constitution of modern military officers. Young West Point graduates are in some cases more enthusiastic about "doing good" in this way than they are about fighting traditional wars (of which there are few any more). They have embraced the mission and they have a very hard time seeing the down side in terms of broader U.S. interests.

The military contributes to development in post-conflict societies by providing security, assisting relief efforts, and reconstructing infrastructure (when this activity can be rationalized as part of the security mission). These activities can enhance the image of the armed forces and facilitate interactions with civil society. However, the military's involvement in longer-term institution building is inhibited by several factors: (1) they are a conspicuous extension of American policy, which in these instances is based on a need to use force at some level; (2) they are not trained to work with foreign cultures and languages, especially at the civil society level (despite the good efforts of generals like Patreus and McChrystal to prepare them for counterinsurgency missions); (3) they are not civilians and thus have a harder time relating to civil society; and (4) however effective the training they may have had, their knowledge of the long-term development mission is limited.

Elevating Development

Development thought has evolved over the past 50 years, and development professionals are a special breed. They are the only group of professionals in the U.S. government whose success is measured by the success of their foreign partners. Their timeline for an exit strategy is much longer. Much can be done to increase appreciation of development by military and diplomatic officers, but expecting that this type of expertise will be interchangeable among the 3Ds is unrealistic.

The elevation of development will require a deeper respect for the mission, but it also will require a significant degree of management autonomy. The best way to think of this is to imagine the needs of an organization whose success or failure will be measured by results. Secretary Clinton was right on January 6, when she said, “We must not simply add up the dollars we spend or the number of programs we run, but measure the results – the lasting changes that those dollars and programs have helped achieve.” Today, unlike when I started my tenure at USAID, results measurement matrices and sector indicators are much more sophisticated. To achieve tangible results, an aid agency needs a strong program management orientation and a command-and-control structure that assures responsiveness throughout. The agency needs long-term budgets that it can count on, strong strategic thinking that connects projects to programs to country strategies owned by host governments and to the people of the host country.

USAID can be innovative, but in recent years it has become risk averse. The revitalization of the agency will require leadership to encourage new policy and programmatic approaches and the sharing of these approaches in the field and with other donors. As Secretary Clinton stated, there is a need, not just for project implementers, but for development diplomats – individuals who have deep development knowledge, but who also have the capacity to work with others to pursue what is in their own best interest.

The Obama Administration’s new USAID administrator, Dr. Rajiv Shah, possesses these qualities. His technical expertise is beyond question and he combines this with a passion for development that comes from personal experience. He cannot do it alone, but his obvious commitment and energy are a good start in returning the United States to its previous leadership role.

Integration

Where does this leave us with regard to this issue of integration? Secretary Clinton has said it well. She refers to two missions operating more in synch than before. She expects diplomats to take up the cause of development, to let their counterparts know that the United States government is going to lead in poverty eradication. She expects development professionals to promote innovative thinking, to be development advocates and to encourage other donors to work with the United States on the new global challenges.

I was impressed recently, for example, by the work of a USAID officer in Beijing who had helped organize a meeting between representatives of the OECD Development Assistance Committee (DAC) and Chinese aid officials. More USAID presence is needed in countries that can contribute as donors. In addition, the DAC, the institution that gave the world the Millennium Development Goals (MDG), should be a primary vehicle for promoting innovation in development. The DAC should be reinvigorated and elevated. The MDGs will soon reach the 2015 deadlines. A new mandate on development is needed and the best results matrices should be applied so the world knows what has been done and where we have fallen short.

Even more integration, joint training, and coordination must take place in transitional situations, post-conflict, post-disaster, or post-authoritarian rule. Each of the 3Ds plays a crucial role in these situations, though the responsibilities will vary according to circumstance. We have made considerable progress in handling post-conflict transitions, but both the international community and the U.S. government could do more to prepare.

If there is such a thing as a “normal” transition from a conflict environment, it generally unfolds as a continuum, with one primary mission overlapping another, each one predominant for a period of time. The initial phase involves a diplomatic effort to resolve the conflict. While diplomacy is the preoccupation in this phase, planning to prepare for the succeeding stage should already be underway. This involves a combination of security in the form of a peacekeeping military contingent and humanitarian relief carried out by relief agencies. In the U.S. government, this task falls to the Defense Department and USAID (and its offices of Foreign Disaster Assistance and Food for Peace). These humanitarian operations traditionally have been well-coordinated with the Defense Department, and often military officers and personnel from other agencies are seconded to USAID to help. The recent Haiti relief operation illustrates this cooperation very well.

The next phase involves initiatives to bring about reconciliation and efforts to reconstruct the society physically, socially, and politically. Here development professionals should work hand in glove with diplomats familiar with the terms of the peace agreement and with the political entities that negotiated them. USAID’s Office of Transitions Initiatives (OTI) has gained a great deal of expertise in programming to bring about reconciliation within previously conflicted societies and in implementing aspects of the peace agreement.

The final phase, which should be planned well in advance, involves the development of the social, economic, and political system. Here, once again, USAID should be in the lead on the program side, working closely with diplomats who are working the political evolution under the terms of the peace agreement and its subsequent iterations.

These transitional situations now occur often enough to warrant much more training and preparation than commonly occurs within the U.S. government. DOD and USAID have held joint exercises in the past, but more of this is needed, and State’s training facility should get involved. Ideally, the United States should have certified cadres ready to deploy from each of the 3Ds.

As the concept of enhanced integration is pursued, architects should keep in mind the need to strengthen each of the three missions. Requirements to expand the core need not detract from the central missions of defense, diplomacy, and development. Several considerations come to mind:

- Standards for promotion to which career aspirations are tied are very different in each of the three cultures. Modifications can and have been made to encourage the development of different competencies, but over the years none of these has changed the primary motivations of individual military, diplomatic, or development officers. Soldiers get ahead by leading combat units. Diplomats are promoted when they manage a major crisis or participate in a key negotiation. Development professionals get to the top by managing programs well and comprehending the linkages among sectors in the context of a local partnership.
- The institutions within which each mission resides have their own “DNA.” They either are hierarchical or flat in structure. They either exercise great control from Washington, or they

delegate to the field. These tendencies are not just the result of bureaucratic culture; to a great extent their core mission dictates how they operate.

- The structural and operational changes that emerge from the PSD and QDDR must be sustainable over time. Future leaders may have very different priorities based on politics and ideology. The risk is that a change made now may take an entirely different form in a future administration. An example was the creation of the International Development and Cooperation Administration (IDCA) to coordinate all development activities in the Carter Administration. IDCA was abandoned in the Reagan Administration. Yet, its continued existence in law later created strains in the State-USAID relationship, as its statutory director reported directly to the President (the Administrator of USAID served as director of IDCA in the absence of a presidential appointee).

In her January 6 address, Secretary Clinton once again demonstrated her strong commitment to elevate the development mission. The time is right for a major reform of our foreign aid delivery system. Her speech acknowledged the criticisms of poverty-reduction efforts that have been heard from foreign aid opponents. These critical views cover a spectrum, from a recommendation to eliminate all assistance, to concerns about dependency, to a reading of data that indicates that aid has not, in fact, made an impact on either growth rates or poverty. The antidote to this criticism is results that can be measured, evaluated, and then advertised – especially by recipient governments, but also by donor agencies.

The absence of coordination and policy coherence within the U.S. government, as acknowledged by the Secretary, has made it impossible to pursue a viable overall development strategy. Our political culture, which rewards immediate gratification and effective crisis management, mitigates against the creation of a long-term strategy. We tend to direct our passion toward the various elements of development rather than the broader goal of poverty mitigation, a goal that requires the appropriate integration of sector interventions. While there are certainly key initiatives whose advancement by high-level leaders can sensitize the international community – such as the empowerment of women – development results are best achieved by responding to host country needs, achieving local buy-in, and creating trust in local partners that their goals are our goals.

Secretary Clinton made all these points and she made them well on January 6. She has created great expectations that the means, structures, and operational details of her vision will fit well with her philosophy and commitment. It is now up to the dedicated professionals in all three of the Ds to make this concept work. Congress can provide an important impetus for reform by enacting a new mandate for development which sets forth broad goals and requires results, reporting, and objective evaluation. If Secretary Clinton achieves the right mix of integration and operational independence – if she reinvigorates the effort to prevent crisis through development and proactive diplomacy – she will have left a legacy as important as a signed peace agreement.