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**A Review of
"Foreign Assistance in the 1990s
and the Role of Population"**

by

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for Futures Group Colloquium**

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"Foreign Assistance in the 1990s and the Role of Population"

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Overview

The author's primary concern is the sketching out of a foreign assistance approach called "environmentally sustainable development." Population issues are one subset of this approach, but they are clearly not the author's primary interest. Instead the author argues that all future economic development (and assistance that might contribute to it) should be guided by concern for the global environment. Sustainable development uses as its guiding principle a goal of meeting the needs and aspirations of the present without compromising the ability to meet those of the future. She claims that the expiration of the Foreign Assistance Act in 1989 constitutes a window of opportunity for major legislative and administrative changes in foreign assistance, and this opportunity should be used to institute an environmentally sustainable development approach.

Summary Points

- Economic development is not a zero-sum game. The economic and political interests of the American people must be made compatible with the interests of people in other countries.
- Current issues that confront the globe and require international cooperation are acid precipitation, global warming, ozone depletion, widespread desertification, and species loss.
- The rethinking of foreign aid comes in part as a result of pressures from reduced budget resource availability.
- The domestic constituency for aid includes 1) universities, whose faculties study development problems; 2) manufacturers, who supply the brick and mortar used in development projects; 3) architectural and engineering firms, who help design and oversee the construction of roads and schools; 4) farmers, who grow food to send to hungry people; 5) and numerous other intermediaries, including those who load and transport food aid.
- In addressing the concept of sustainable development AID's technical expertise would be centered on agriculture, population, environment, and natural resources (p. 4). Criteria for inclusion on and exclusion from this list are not made clear.
- How must the foreign assistance program be restructured and reformulated in order to proceed with an environmentally sustainable development approach?

- 1) The Foreign Assistance Act must be rewritten in order to sharpen AID's focus.
 - 2) Sustainable development must become an explicit focus of policy for at least the next decade.
 - 3) AID must return to emphasis on technical expertise--its comparative advantage.
 - 4) The agency needs maximum flexibility for design and implementation of projects.
 - 5) AID must forge partnerships with experts in developing countries.
- One way to address the implementation of development assistance is to look at the structure, if not the purpose, of the donor agency. Suggestions for restructuring AID include:
 - 1) A giant grant giving institution not unlike the Ford Foundation.
 - 2) A bilateral only institution with the private voluntary organizations to be funded by private foundations.
 - 3) AID should select priority countries and priority technical areas.
(*This structure is most compatible with the goal of sustainable development*)
 - 4) A number of regionally focused institutions similar to the Inter-American Foundation.
 - AID's population assistance program is an example of how strong policy directives can translate into highly effective program. The population assistance story is a model in successful foreign assistance. The factors involved in this model included strong leadership, valuable Congressional support, measurability, and flexible approaches.
 - The paper concludes (pp. 9-10) with a number of points that should be part of future assistance policies.

Evaluation

The author takes on the extremely large task of outlining a new criteria for evaluating economic development and foreign assistance. She also attempts to outline what a program based on such an approach would look like. However, the paper remains rather vague and superficial, and she avoids the thorniest issues such as what opposition there is to such an approach in the US and recipient countries. For example, one might ask why industrialization or broader issues of economic growth do not make the authors list of central issues that she limits to agriculture, population, environment, and natural resources.

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Foreign Assistance in the 1990s
And the Role of Population

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Both liberals and conservatives today seem to believe that the interests of the U.S. cannot be reconciled with those of the rest of the world -- whether it is with our trade partners and rivals in developed countries or with less advanced countries of the developing world. In our competitive thrust we play what economist Lester Thurow calls a zero-sum game, in which our gains must come at the expense of others. Current economic theories are untested and unrealistic. The economic and political interests of the American people must be made compatible with the interests of people in other countries. We must form partnerships to create a more just and sustainable world. 1

The recently published report of the World Commission on Environment and Development, Our Common Future, points out that most of today's decision makers will be dead before the planet feels the heavier effects of acid precipitation, global warming, ozone depletion, or widespread desertification and species loss. Most of the young voters of today will still be alive, and the babies of today will be inheriting these problems.

There is no better example of common U.S.-Third World interests in the environment - and of American failure to recognize them - than pesticide use. We have exported our bad pesticide technology to other countries and then imported the food on which it is used. Historian Walter Mead notes that destruction of the Panama Canal watershed, brought on by overpopulation, has caused water shortages that restrict passage of ships during certain times of the year. 2 This certainly has an impact on our trade. And there are numerous other examples of the interrelationships between the U.S. and development in other countries.

1 Mead, Walter Russell, Mortal Splendor: The American Empire in Transition, Houghton Mifflin Company, Boston, 1987, p. 285.

2 Ibid., p. 107.

Much of the concern about global interrelationships on trade, the economy and the environment is played out in U.S. foreign policy. In 1947 the Marshall Plan began the effort to rebuild Europe and created a new and important role for U.S. foreign policy. By the 1950s the Korean War led to the an approach which combined military, economic and technical assistance. In 1954 Congress passed the Food for Peace Act which provides an avenue for the U.S. to use agricultural surplus commodities for hunger relief in countries of need. The Agency for International Development (A.I.D.) was created by the Foreign Assistance Act in 1961. A.I.D. today continues to administer the major portion of U.S. economic and humanitarian assistance. However, it is only part of the an of sources for U.S. overseas assistance encompassed in the 150 Account of the federal budget.

New challenges are upon us. John Sewell and Christine Contee of the Overseas Development Council coauthored a recent article on the impact of Gramm-Rudman deficit reduction legislation on foreign aid. A quote from this article is appropriate.

"The current U.S. foreign aid program has outlived its time. The developing world has changed drastically since the principles for the present program were formulated. As currently structured, the American aid program is no longer congruent with the multiplicity of interests that the United States has in the countries of the Third World."

Thus the "rethinking" of foreign aid comes in part as a result of pressures from reduced budget resource availability. This has stimulated thought and discussion on the future of foreign aid and its place among other U.S. federally-funded programs.

Other factors are playing a role as well. One of these factors includes the periodic reassessment of a program which has never had the type of public constituency which other government-funded activities enjoy. It is not news that foreign aid is often the political "throw away" in the scramble for electibility, whether for Congress or President. There always has to be a loser in any game, and the American public is just beginning to see a personal investment in international development programs.

Although Foreign Aid is often called "a cause without a constituency," the money that Congress appropriates each year to help developing countries benefits a wide variety of American constituencies: universities, whose faculties study development problems; manufacturers, who supply the brick and mortar used in development projects; architectural and engineering firms, who help design and oversee the construction of roads and schools; farmers, who grow food to send to hungry people; and numerous other intermediaries, including those who load and transport food aid. 3

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Hamilton, John Maxwell, Main Street America and the Third World, Seven Locks Press, Cabin John Md., 1986, p.88

However, it should be clear that the lack of support in the general public may reflect more their distrust of the federal government and its foreign policy than their concern for people in other countries. Sewell and Contee point out that in 1985, largely in response to the African famine, Americans contributed \$1.5 billion through private agencies, an amount almost equal to official U.S. bilateral assistance for the same year. Furthermore, End Hunger Network reports that thousands of letters asking for other ways to help came in with donations to Live Aid. Unfortunately those letters were confined to the trash without responses.

Another factor has increased interest in foreign aid. The World Commission on Environment and Development, the Brundtland Commission, articulates the concept of sustainable development. Sustainable development uses as its guiding principle a goal of "meeting the needs and aspirations of the present without compromising the ability to meet those of the future". Already governments throughout the world are planning strategies for addressing this goal. The discussions surrounding the Commission's recommendations and priorities for an ecological view of the world have provoked new interest in the international development process. We are moving from a foreign policy theme of "Basic Human Needs" in the '70s through "Private Enterprise" in the '80s to "Sustainable Development" in the '90s. This is not an unnatural evolution, or confluence. Certainly the theme for the future is "Global Interdependence." The concept of ecological sustainable development is being discussed throughout the world and will be presented in more depth later in this paper.

Finally, the Foreign Assistance Act (FAA) is due for reauthorization in 1989. The current authorizing legislation has been described as a legislative nightmare with every major and minor constituency tacking on a few sentences to protect their area of interest. It has managed to withstand its enemies, but it has barely survived its friends. Many see the FAA reauthorization as a chance to clean up the Act, refocus the foreign policy of the U.S. and promote a new agenda. Unfortunately there is no common agenda. As a result there are numerous theories as to how foreign assistance might be restructured.

What is clear is that developing country and donor country governments are in the process of rethinking assistance relationships. Unfortunately in the discussions so far few have focussed on two essential questions: What do we want to promote and What is the best way to do it?

What we should want to promote is the long term perspective of creating self-sufficiency and economic viability for developing countries. This obviously includes and focuses on the poorest of the countries' citizens. The themes of basic human needs, private enterprise and sustainable development all contribute to this premise. The difficulty is determining the best way to provide for this type of development. We now have several decades of experience and are still experimenting with different approaches.

The recent coalition of population, environment and development organizations has had a number of results. Coordination of legislative efforts has maximized the strengths of individual organizations. Many of the organizations have expressed concern about long term sustainable development with emphasis on the component parts of stabilization of population growth, conservation of natural resources and the environment, and the institution of sustainable agriculture.

A new foreign policy that promotes these goals is the objective of a growing group of organizations and individual citizens. Any new administration will face budgetary limitations, lack of domestic political support, existing treaties, base rights commitments and interest group pressures. It therefore makes sense to target assistance in a much more focused way.

The Agency for International Development under the Foreign Assistance Act covers a wide range of technical areas. Agriculture, rural development, nutrition, health, child survival, population and family planning, education, energy, forestry, environment, women in development, private enterprise -- the list seems to go on forever. Each and every one is a worthy area for which a cogent developmentally sound rationale can be presented. What cannot be rationally defended is the attempt to do them all without the financial or personnel resources to do even a few effectively.

The agency must become more focussed in terms of priorities: both country and technical. In addressing the concept of sustainable development AID's technical expertise would be centered on agriculture, population, environment and natural resources. Health is closely related through nutrition to agriculture, through sanitation to environment and natural resources, and through child spacing to population. It logically remains a fourth priority. Other activities such as women in development, education, energy, etc. would be addressed only in relationship to the four major priorities. Other donor institutions and countries could be responsible for those areas of technical assistance where they demonstrate a comparative advantage.

If one takes the sustainable development concept to its furthest extension, every program in agriculture and energy will be judged by the standards of an environmentally sustainable foreign policy and population policy will be part of the basic conditions for all development assistance. A commitment to ecologically sound development and an aggressive population and family planning program will be critical factors in selecting the political appointees who will head the Agencies and operating bureaus of the U.S. government.

We have to ensure as much as possible that the concept of sustainable development runs through every aspect of U.S. foreign assistance. We must work toward a comprehensive redefinition of both U.S. foreign assistance and foreign policy objectives. What are the changes that need to be made to bring this about?

How then do we proceed in restructuring and reformulating our foreign assistance program? First, the Foreign Assistance Act must be cleaned up. It is a huge volume of legislation with too many directives. A rewrite of the Act could sharpen the focus of the Agency and at the same time remove restrictions which hamper and hamstring Agency personnel from getting the job done. This is a tedious process which has already begun under the leadership of Rep. Lee Hamilton of the House Foreign Affairs Committee.

Second, the focus of sustainable development is a viable one for the next decade at least. If we do not solve many of the problems facing the world because of global environment and population, it will be triage at best. This means AID must work with other donors to divide up the countries and areas of assistance. The U.S. clearly has high levels of demonstrated expertise in population and family planning and vast experience in natural resources and environment. Because of the links with agriculture and U.S. surplus commodities we should continue to support an agriculture program, but only if it is planned and implemented in an ecologically sound manner. That includes transferring some of the current experience being developed in the U.S. on regenerative or organic farming. With sustainable development as the theme for the 1990s the path will be prepared for a theme of global interdependence in the 2000s.

Third, we must return to the emphasis on technical expertise. This means that the Agency needs a large cadre of population, agriculture and natural resource professionals. Although country management is important, technical centers should be the focal point of organization in AID/Washington. The early strength of the population field was in part from the centralization of technical expertise. AID has been organized along geographical lines, in part because of the State Department's organization and control. It is time for functional bureaus in AID and independence from the State Department so the Agency can conduct the business of development assistance.

This follows onto the fourth point. The Agency needs maximum flexibility for design and implementation of projects. Part of the problem is Congressionally-imposed restrictions in the form of commodity source purchases, shipping sources, use of carriers or the competitive procurement process. The time between a good development concept and its implementation in the field is at a minimum two years. In addition, the intense Congressional oversight interferes with valuable time needed for planning, developing and pushing forward projects. Once new legislation is passed, the Agency should be able to run with it and not be micromanaged. This, however, implies trust and consensus. As a result, all key management appointments in whichever Administration should be nominated and approved on the basis of their understanding of and commitment to sustainable development and its components.

Finally the stress on partnerships with experts in developing countries can not be overemphasized. After more than twenty years of experience in economic assistance a cadre of expertise has been built in most every

country. The participation of these people in devising plans for assistance will make donor efforts more effective. Many of these experts are serving in key positions in government and universities. The emphasis in the development community recently has been to push for more assistance at the indigenous NGO level. However, experience has shown that change must occur at the top and the bottom: the policy level and the grassroots level. Identifying the in-country experts at the policy level to work with is as important as identifying local leaders in the community.

There is a growing belief among international development advocates that military assistance as a part of the foreign aid program does little or nothing for development or U.S. economic interests in developing countries. As a result foreign military sales (FMS), military assistance programs (MAP), and base rights agreements should be transferred to the Defense budget and separated entirely from economic assistance. Previous attempts to separate out the military aspects of the account have failed because the packaging of economic and military aid seemed to ensure more votes in Congress for the total program. With the growing constituency for development assistance it is time to rally support for a distinct economic assistance account.

Controversy abounds within the international development community over the value of the Economic Support Fund (ESF). While some see ESF as another form of military assistance, or at least a cash giveaway to ensure a stable government; others point to the increasing process of projectizing ESF for development activities. We should leave ESF with development assistance and ensure that the funds are increasingly projectized and development conditions built into agreements.

Our foreign humanitarian aid which includes population, agriculture and natural resource assistance is at a level of \$2.1 billion for fiscal year 1988, while the budget request for military expenditures is \$298 billion. Economic technical assistance to developing countries will do more for national security. An example is Central America. The economic evolution that might have been possible in Central America to peacefully resolve conflicts could have brought those countries into balance. It is costing more to counteract the results of our indifference by supporting revolution and war than it would have if those same dollars had been spent on building economic self-sufficiency.

One way to address the implementation of development assistance is to look at the structure, if not the purpose, of the donor agency. Many advocates of A.I.D. restructuring support the idea of a grant-giving institution not unlike the Ford Foundation model. A.I.D. would fund proposals from various institutions and organizations to do development work overseas. This would decrease the staff and overhead, cutting back on costly overseas missions, and provide more funds for private voluntary organizations to get the job done. The major flaw in this scenario is the fact that A.I.D.'s success, particularly as compared to other bilateral country program assistance, is on the ground, available expertise.

Another scenario suggests that A.I.D. become a bilateral only institution with the private voluntary organizations to be funded by private foundations. The rationale is that with a shrinking budget, the role of the U.S. government should be to fund host country governments. The growing number of private philanthropic institutions with an interest in development projects would focus their efforts on supporting the vast number of PVOs, both U.S.-based and indigenous. The reverse proposal is to abolish the bilateral program and administer assistance through the multilateral organizations and the private voluntary organizations. This is not unlike one of the new management modalities being considered currently by the AID Africa Bureau whereby with the phase out of smaller Missions, PVOs will take over the management of some of the smaller country programs. The problem with both of these structures is they ignore the fact that much of the U.S. success in delivering development assistance has been in no small part due to the flexibility of working both with governments and NGOs.

A third scenario responds to a growing concern that A.I.D. has too many priorities. The current budget pie is full of preordained slices, or earmarks. Good management says AID cannot be allthings to all countries; therefore it needs to pick more than just priority countries. Priority technical areas need to be selected as well. Targetting technical areas would call for greater cooperation with other donor countries, multilateral institutions, and private donor foundations so that lines of responsibility are clear. This scenario poses less problems than the others mentioned above as long as one's area of concern is one of the priorities. This particular approach would fit with the sustainable development construct.

With less fund availability and an increasing concern for Africa's needs a new system of doing business is being proposed. The Development Fund for Africa (DFA) is an experiment in providing for a different approach to development assistance. The result of drought, famine and debt emergencies were used to focus the Compact for African Development on seeking new solutions to Africa's problems. The Compact came up with twelve recommendations, immediate and long term actions. Although some of these were included in the legislation proposed for the DFA, there certainly is far less in the bill than originally intended. The legislation provides a modicum of flexibility to be exercised by the AID and at the same time earmarks funds for population, natural resources and health. Some are advocating this mode of assistance for the other continents. Whether or not the Africa Fund is better able to administer development assistance, remains to be seen.

A fourth proposal would diminish the role of A.I.D. and create an Asian Development Foundation similar to the Inter-American Foundation and the Africa Development Foundation. These foundations promote social and economic development among the poorest groups in society. Although the experience with IAF has been good to date, the ADF track record is mixed. Further the foundations have not focussed on population or environment sufficiently, if at all.

All of these scenarios are in part driven by fund availability. U.S. economic assistance has declined by about 50% since 1966. We have tended to concentrate aid on immediate military or political assistance. For example of the \$15.9 billion appropriated in 1986 for economic and military assistance, \$13.3 billion was for bilateral assistance. Roughly half of that amount went to Israel, Egypt and Jordan to maintain a stable Middle East. One-quarter of the amount was used for military base rights agreements in Greece, the Philippines, Spain, and Turkey and for strategic military problems in Pakistan and Central America.

Certainly program funds and operating expense funds are not sufficient for the Agency as it is now organized. Before the Vietnam war, the U.S. foreign assistance program had two major instruments--money and expert technical staffs oversea. Other donors, notably the multinational banks, had money, but the combination of money and technical staffs on the ground made the U.S. program the world leader. That is not the case today on either front. Most programs are too small to wield influence; larger ones are held hostage by politics and have negligible impact on development issues. Virtually no U.S. Missions overseas has adequate technical staffs in the needed special areas and the few technicians who remain are behind desks administering contracts. The argument that specialized technical help can be brought in on contract to deal with technical problems only works if sufficient ability exists on the scene to diagnose the problem and know enough to call for the right help. 4

AID's population assistance program is an example of how strong policy directives can translate into a highly effective program. In 1961, the U.S. Congress with passage of the F.A.A. authorized expenditures of U.S. government funds for population and family planning assistance under Section 104. Since 1964 the United States has provided funding for developing country governments, multilateral organizations and private voluntary organizations for family planning service delivery, training, research, policy planning, and information, education and communications. U.S. assistance represents 40% of global family planning and population funds.

Using the field of international population and family planning as an example one can briefly explore some of the approaches which have been effective. The population assistance story is a model in successful foreign assistance despite some of the political problems of the current administration.

The factors involved in this model included strong leadership, valuable Congressional support, measurability, and flexible approaches. The presence of a cadre of trained population officers has made the difference in country after country. Programs in countries such as Thailand, Mexico and Zimbabwe have had able technical assistance from AID mission, U.S. embassy assigned or

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Chapnick, Bernie, "Toward a New Foreign Policy," prepared for the National Audubon Society, December 1987.

AID regional population officers. Programs in India, Bangladesh, the Philippines and Kenya, while harder to work in because of a multiplicity of factors, have made advances because of on the ground U.S. population expertise. In addition, the wide range of private voluntary organizations have all been orchestrated by the AID population officer so that the country strategy is carried out correctly and efficiently.

Interestingly, the enormous success of family planning and population programs is due in no small part to the flexibility of funding modalities. During the '60s and early '70s when population assistance was deemed too sensitive for bilateral programs, most of the funding was provided through intermediaries - a combination of private voluntary organizations and universities. As developing country policies changed with regard to family planning, bilateral population programs began to grow, in many cases stimulated by the private sector. What has worked so well is a form that encompasses a large bilateral program, a large central program and budgetary control over funding for the principal international agencies.

There are a number of recommendations which can be made for the Agency as well as for the population program. An agency focus on ecologically sustainable development includes population programs as a major component. This is true not only because of the success of the program and what can be learned from it, but most importantly, the interrelationships between population growth and the health and well-being of individuals in the developing world is intricately linked with every other aspect of development assistance.

In a new reformulated foreign policy the following points should be included:

** All development assistance officials, appointed and career, should have an understanding of sustainable development and the role population growth plays in the development process.

** Key management appointments in whichever Administration must pass alitmus test of support for population program assistance.

? [** Estimates suggest that achievement of population stabilization by the end of the next century will require \$7 billion annually over the next decade. The World Bank estimates a total annual governmental expenditure of \$2 billion on population. Foreign assistance has provided about one-quarter of that \$2 billion. The U.S.A.I.D. Population Program totalled \$231 million in 1987. U.S.A.I.D. could spend at least another \$100 million a year effectively in bilateral, central programs and international contributions to multilateral agencies. This financial commitment should be made in the President's budget request.

** U.S. funding should be restored to the United Nations Fund for Population Activities, and the U.S. with other country donors should press the

Fund to decentralize their program.

** The World Bank has never had the capability to design or administer population programs. The Bank can exert leverage for policy change. The Bank should be urged to emphasize policy change in the population area and disburse untied foreign exchange when the policy conditions are met. Their activities could then complement those of the U.S. and the U.N. In addition, soft loans for women's groups which provide family planning and natural resource conservation activities is an area where the Bank could be helpful.

** Research on the impact of population growth and consumption on resources needs to be collected to discover where the gaps are, and money needs to be allocated to study those areas not currently covered.

** In the policy area we must encourage countries toward holistic planning. Many of the countries which are now proposing National Conservation Strategies have Population Strategies or Five Year Plans. The two must be coordinated. This planning must be actionalized into ongoing incountry programs.

** Cross sectoral planning must occur at the policy level in Washington as well as in the field. Foresters must work with farmers and family planners. Planning together will not only lead to sharing insights on the best way to provide technical expertise; it will promote sharing of experiences and lessons learned.

Faced with a window of opportunity for major legislative and administrative changes in foreign assistance, it is essential that preparation for the 1990s reflect concerns and considerations which are being articulated in a number of policy and grassroots level fora. Support is growing in the United States and overseas for the concept of ecologically sustainable development. A foreign policy focussed on this concept would ensure political support as well as prepare us for the future. Best of all population and family planning is an essential component of this approach and will be given the high priority it deserves.

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Note: The National Audubon Society is currently embarked on a project to educate and involve U.S. citizens, and Audubon activists in particular, in the foreign policy process. The preceding paper is a reflection of the author's approach to foreign assistance. A fuller exposition of these views will be presented after six regional conferences across the U.S. to be conducted in California, New Mexico, Oklahoma, Wisconsin, Pennsylvania, and Florida later this fall. The goal is not only to present an alternative foreign assistance which will more effectively address the issue of international development but to create and sustain a national constituency to ensure that these concepts are injected into the discussions and decisions of the Federal government.