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**A Review of
"Forty Years of Food Aid and Development
Assistance: What Have We Learned?"**

by

**Don Paarlberg
for the Winrock Colloquium**

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Forty Years of Food Aid and Development Assistance:
What Have We Learned?

Don Paarlberg

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OVERVIEW

According to Paarlberg, one great lesson has been learned "by those who have eyes to see." Agricultural development is a slow process. After providing a brief, but captivating history of US development assistance, and the obstacles confronted, he concludes that good things have happened along the way. Its time, Paarlberg says, to stop pointing out the shortcomings in the hope that this will bring forth greater effort. "This is bad psychology...Its time now to draw the positive side of the picture." He concludes with some thoughts on possible changes in AID when a new Administration takes office.

This is a thought-provoking, exceptionally well-written paper.

HIGHLIGHTS OF PAPER

Paarlberg begins with the history of "Point Four" — the fourth matter discussed in Truman's inaugural address. It stated the aim "to help the free peoples of the world, through their own efforts, to produce more food..." Point Four was controversial from the start, both within the US and in developing countries. It was vigorously attacked and defended. The various name changes, reorganizations, and reincarnations of AID all resulted from these "scars and bruises".

The agricultural missionary movement was, in a sense, a predecessor for international agricultural development.

"The missionaries operated on the hypothesis that the way to the soul was through the stomach. The Point Four people were aiming for the stomach itself, and for the [political] heart by way of the stomach."

Missionaries committed themselves to long-term assignments and immersed themselves in the local culture and language. "Point Four addressed a hundred-year problem with five-year plans, staffed with two-year appointments, financed with annual appropriations."

Paarlberg asks: "In the development process do the recipient nations have to go through all the stages we experienced?...Is it possible to leap—from some of the intermediate stages and go from the ox-cart to the airplane?" There has been no generally accepted theory of economic development — no consensus.

Congress used the appropriations process to support pet programs. As a result, administrators of foreign aid had little latitude in the selection of projects or the allocation of funds. Much of the problem arose from the lack of clear purpose. Moreover, "the objective and the strategy were often obscured. When there is confusion about ends, controversy typically shifts to means because it is safer."

Concerning the role USAID has played in the conquest of hunger: "Marvelous things have been happening and AID is on the team that has helped make them happen." Quoting President Eisenhower: "It's wonderful how much good you can do if you don't worry about who gets the credit." But Paarlberg acknowledges that this argument won't go far in defense of the AID budget before Congress.

On whether or not to institute yet another major reincarnation of USAID when the new Administration takes office:

"To the zealot committed to the Agency and its ways of doing, such changes might seem a compromise, a retreat on principle. But to the realist it would be the price paid for continued existence, a way of rallying and retaining the required political support. Commitment should be the objective, commitment to the conquest of hunger...For the strategy and tactics, flexibility is appropriate."

A final quote:

"International agricultural development is one of those few areas in which ethical behavior and long run enlightened self-interest are, to a large degree, compatible. In any restructuring of the agency, this idea should be kept in the forefront."

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Forty Years of Food Aid and Development Assistance:

What Have We Learned?

Don Paarlberg, Professor Emeritus, Purdue University

Symposium on Future U.S. Development Assistance:
Food, Hunger, and Agricultural Issues.

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Nearly forty years ago President Truman, preparing his inaugural address, was given a draft drawn by his special counsel and speech writer, Clark Clifford. The story is told by Cabell Phillips in his book, The Truman Presidency. According to Phillips. the draft related to three matters: the United Nations, the Marshall Plan, and the North Atlantic Alliance. Truman liked the draft but it seemed in some way lacking. "I need a fourth point", he said. Clifford remembered a memo sent to him by a State Department aide who had the idea of providing technical assistance to the developing countries in accordance with a pattern that had been tried successfully on a small scale in Latin America. The idea was to overcome poverty and hunger by helping to lift the economies of these agricultural countries much as we were helping rebuild Europe under the Marshall plan. The aide's superior had shown no interest in the proposal so he went higher and sent it to Clifford, who passed it to the President. Truman liked the idea and incorporated it into his inaugural speech, without staffing out. Here is the pertinent language: "Fourth, we must embark on a bold new

program...Our aim should be to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens."

This Fourth Point was well received. There had been a growing perception of the fact that the United States would do better if other countries were also doing better, that gross differences in well-being were as wrong between nations as between individuals, and that our affluence conferred on us some responsibility for helping the less fortunate.

Those were the lusty post-war years. We had survived World War II with our productive plant intact and thought we could do anything.

When the press called to learn what the Fourth Point was all about there was no background material available and no ready title, banner, or plan for it; it became "Point Four" and for a time it so remained. Later various names were applied to it. It was once part of the Mutual Security Administration. It became the Foreign Operations Administration, the International Cooperation Administration, and is now the Agency for International Development. The public, disregarding all these names, persists in calling it Foreign Aid.

There was another progression of nomenclature. The recipient nations, once pejoratively referred to as "the backward countries" or "the poor nations" were tabbed by Truman as the

"underdeveloped countries." Later they were further upgraded to "less developed", "developing", and "pre-industrial." Now they are commonly referred to collectively by use of the innocuous term "Third World" or, inaccurately, as "The South". AID, mindful of the fact that it is in these countries that their people serve, sometimes call them "Host Countries". In international circles they are called the "Group of 77" despite the fact that they number more than 100.

The American governmental initiative in international agricultural development was supplemented by the work of the great foundations, Ford, Rockefeller, and others, including now Winrock. The Food and Agriculture Organization of the United Nations expanded its work. Public Law 480, known as Food For Peace, entered the effort. The World Bank, with its huge resources, addressed agricultural development. The International Research Network marshalled new techniques and new concepts. Private voluntary organizations were set up in large numbers, addressing the food and agricultural problems of the third world. Other countries came up with their own programs of international agricultural development.

Never to be forgotten is the fact that the developing countries themselves have made the greatest contribution to agricultural development. The FAO put this at 90% of the total. Private investment and entrepreneurship, indigenous and multinational, contributed significantly to the effort. It was a marshalling of money, people, and ideas, public and private, national and international, focused on the conquest of hunger, a mission newly

perceived on a scale and in a manner unique in the world's history. International agricultural development and the conquest of hunger were ideas whose time had come. Apart from its accomplishments, the world-wide war on hunger spear-headed by Point Four was a great consciousness-raising event. Our ancient adversary, hunger, once deplored but inevitable, became a vulnerable enemy, to be challenged and overcome.

Point Four was controversial from the start. Internationalists, one-worlders, world federalists, philanthropists, and church people were for it. Opposed were the strong nationalists, cost-cutters, and farmers who feared setting up rival foreign exporters of farm products.

The American illusion was that the intended beneficiaries of Point Four would be enthusiastic about receiving this help. To some degree they were, but dissident groups within the developing countries raised objections. One was that the help was production-oriented, whereas allegedly the major problem was inequitable distribution. Another was that the programs involved an extension of the American political and economic systems concerning which there were deep doubts. Yet another was that the effort promoted capital-intensive and energy-intensive agriculture, for which the developing countries were not ready. Multinational firms were accused of exploitation. Recipient countries feared they might lose autonomy regarding their food policies.

Unlike the Agriculture Department, the Labor Department, and the Commerce Department, Foreign Aid had few real American constituents. The politicians were baffled in trying to assess

the degree of support for it. The economists had no models that would accommodate the unpaid conveyance of technology, equipment, or personnel; economic theory had to do with exchange, not with gifts. Economists even balked at use of the word "gifts", calling them "unrequited transfers".

So Point Four and its successors were vigorously attacked and defended. When the agency had picked up as many scars and bruises as it could well carry, it was reorganized, re-directed, or restaffed. This happened over and over. Or, if the problem was sufficiently grave, the agency's name would be changed.

The question is whether the agency, having operated under its present name and format for a number of years, is now so battle-scarred and gun-shy that yet another reincarnation is appropriate, and if so, what form it should take.

In a sense, there was a predecessor for international agricultural development - the agricultural missionary movement. The missionaries operated on the hypothesis that the way to the soul was through the stomach. The Point Four people were aiming for the stomach itself, and for the heart. Some had the stomach itself as a sufficient objective, and some sought to reach the political heart by way of the stomach.

The techniques of the agricultural missionaries were not only to understand agricultural production but also to acquire competence in the native language, to immerse themselves in the local culture, and to commit themselves to long-term assignments. These principles were carried over only in part by the Point Four

people. There are things still to be learned from the agricultural missionary movement. Point Four addressed a hundred-year problem with five-year plans, staffed with two-year appointments, financed with annual appropriations.

To the original agricultural component of Point Four were added various related initiatives, among them being institution-building, food distribution, capital investment, and family planning. The overall program had a large measure of defense support, so that the diplomatic and military aspects came to dominate the effort. The limited numbers of countries first involved were expanded until there now are Foreign Aid programs in most of the developing countries, though the major share goes to Israel and Egypt.

The Official Development Assistance programs of the United States, of which AID is a part, are not large by comparison with other operations of the government, running for most of the time somewhere around \$5 to \$8 billion annually, or between one-fourth and one-half of one percent of our gross national product. As the program came under increasing attack in the United States and as other developed nations expanded their own programs, the American effort declined relative to the world total. Altogether, the American share of assistance to the developing world has fallen to only 23 percent of the OECD total. As a share of gross national product our contribution has ranked 16th among the 17 industrialized nations. We grew weary with well-doing.

But our effort was in a sense pioneering and the increased contributions of the other developed nations can be interpreted as an endorsement of our initiative.

We began, building on the successful technique of the Marshall Plan, with the classical idea of capital investment. In Europe, after the war, capital was the factor in critically short supply. All else was in place: the institutional structure, education, personnel, and perception that what had been might be restored.

But in the Third World all these things were lacking. Particularly lacking was the vision that agricultural development and the conquest of hunger were achievable objectives. How could we instill such visions in the minds of people who had neither witnessed such things nor thought them possible?

In planning our effort we shifted from one strategy to another: "Capital investment", "food first", "balanced growth", "big push", "incremental change", "institution building", "help to the leading sector", "two sector models", "small is beautiful", "intermediate technology", "help to the poorest of the poor", "use of the Land Grant College model", and "aid through the private sector". We struggled with the question as to the desired level of technology; we sometimes sent overdeveloped scientists to underdeveloped countries and occasionally sent people who were long on zeal but short on skills.

In the development process do the recipient nations have to go through all the stages we experienced? If so, how could

these stages be compressed? Is it possible to leap-frog some of the intermediate stages and go from the ox-cart to the airplane? It may be possible for a single industry such as the poultry enterprise to go, to a limited extent, from the farm flock to a large modern commercial enterprise. But this cannot well be done across the board. Development is organic, affecting the whole. It is not simply technical, confined to some single enterprise.

There was no generally accepted theory of economic development. Theories there were, in abundance. Adam Smith described the capitalistic system. T.W. Schultz offered his prescription for transforming traditional agriculture, Walt Rostow had his stages of growth, while Hayami and Ruttan published their induced innovation, all modifications and elaborations of Smith's model. Karl Marx explained development in terms of dialectical materialism, of which capitalism was only a passing phase, and an abhorrent one at that. Arnold Toynbee had a different approach altogether; he interpreted development in terms of challenge and response, thus tracing the rise of 21 civilizations during 6000 years of history. But there was no consensus. The AID people were like plant breeders, charged with producing better varieties but lacking any agreed theory of genetics.

The Congress, wanting quick results, was impatient with the laggard response to the Point Four effort. Zealots for this or that approach locked in certain programs, projects, and ideologies, using the appropriations process as a discipline. The result was that the administrators of foreign aid had little latitude in the selection of projects or the allocation of funds.

Much of the problem arose from the lack of clear purpose. I have tallied 23 objectives, expressed or implied, many of them overlapping. Here they are, in no particular order:

objected to lifting the agricultural capabilities of potential exporting rivals. None of this controversy should be surprising. International exchanges of goods based on institutions of the market have been in place for perhaps 3000 years, gaining effectiveness and acceptance by experience acquired over that period of time. How could we expect to develop, in forty years, fully satisfactory institutions of unrequited transfers?

Some of the sharpest attacks on the program came from able and respected writers. Lord Peter Bauer, right-wing British doyen of development, wrote a diatribe against Foreign Aid titled Reality and Rhetoric. The Paddocks wrote We Don't Know How. Lappe' and Collins despaired of progress unless capitalistic institutions were transformed into a socialistic model. Susan George wrote her critical work How the Other Half Dies. Some of the sharpest critics were members of Congress who, on trips abroad, might see a rusty AID-supplied tractor in a field corner, idled for lack of spare parts, or observe some donated cheese being sold in the black market. From such highly visible instances it was easy for the critic to generalize about the entire program.

From forty years of experience, one great lesson has been learned by those who have eyes to see. Agricultural development is a slow process. In the United States, the surge in agricultural production did not really begin until the 1940s. This was 80 years after the establishment of the Land Grant Colleges, 60 years after the Experiment Stations were set up, and 25 years after the beginning of the Extension Service. And this was in

our own country, with a literate people, within our own language and culture, and with substantial programs. How could we expect quickly to transform, with limited resources, the agriculture of scores of countries with different languages, traditions, governments and cultures, many of whose people were unable to read? It is amazing that progress has been as great as it has.

There are two ways of dealing with an undertaking that has problems. One way is to point out shortcomings in the hope that this will bring forth greater effort. The other way is to lift up successes, in the belief that such encouragement will increase confidence and produce better results. The country has dealt with AID according to the first of these two alternatives; most of the comment about AID has been critical. In the view of this observer, this is bad psychology.

It is time now to draw the positive side of the picture. Despite enormous obstacles, good things have happened in food and agriculture, world-wide. A forty-year period is long enough to authenticate this observation. Hunger, the ancient enemy, is in retreat. Agricultural science is on the march; it has achieved critical mass and now propagates its own next generation. Educational levels are improving. Various countries are developing their own systems of food security. Nutritional deficiencies are being reduced, death rates are falling, infant mortality is diminishing, and the life span is lengthened. These things can happen only if the agricultural sector is making advances. Agriculture holds

permissive power - and veto power - over the dimensions of human betterment. Third World agriculture has been able to keep a half step ahead of a rapid increase in population. Now, most important, the birth rate is declining. Nations that were on the borderline of hunger not so many years ago have escaped that enemy. This is true of countries on the Pacific rim: Japan, Taiwan, Korea, Hong Kong, Singapore and Malaysia. Economic growth, agricultural advance, food aid to the unfortunate, and family planning are responsible. Two other large countries appear to be on the threshold of overcoming hunger: the People's Republic of China and the U.S.S.R. Even in India hope is replacing despair. Something must be working.

In all these countries there are persons and groups who are hungry. But that should not blind us to the fact that general hunger in the form of famine, once a chronic threat, is now in retreat.

There are large areas of the world where famine persists, particularly in Africa. Hunger will make its last stand where agricultural science has not penetrated, where economic development lags, where weather is most erratic, where the food needs of the unfortunate are ignored, where government is unstable, and where birthrates continue at their historic highs. The objective set forth by U.S. Secretary of State Henry Kissinger at the 1974 world Food Conference, that within the next decade "no child will go to bed hungry" was not achieved. Victory in such absolute terms is not possible, nor will it be. But victory need not be total to be decisive.

Our ancient enemy, hunger, though still defiant, is in a fall-back position, as anyone will agree who has studied the history of hunger. The initiative has shifted to those who formerly thought only of defense. This great event is occurring before our eyes; ours is the generation privileged to witness it. Not many people have yet perceived this shift in the terms of the battle. Among those who do are the people of the Hunger Project, who have put out their admirable book, factual and handsome, Ending Hunger: An Idea Whose Time Has Come.

What has been the role of the U.S. Agency For International Development in this conquest of hunger? No one can say with confidence. The economist with his nicely calculated less and more cannot measure it. The work of AID is irretrievably blended and mixed with the work of other people and other agencies. There must be an element of faith in this work.

The United State, the wealthiest of all the nations, has a continuing role in helping the hungry people of the world. The moralist and the sociologist have responsibility in assessing this effort as well as does the economist, and the politician has the task of equating the judgment that comes from all these disciplines, not just one.

Marvelous things have been happening and AID is on the team that has helped make them happen. President Eisenhower would tell his staff, "It's wonderful how much good you can do if you don't worry about who gets the credit." You will say that is a fine idea but not an adequate response for the Administrator of AID when he appears before the Congress in defense of his budget and that is true.

It may well be that if and when a new Administration takes office a year from now, some highly visible changes should be made in the Agency For International Development. A new name perhaps. Maybe a larger role for the private sector. A refining of objectives. A slimming down of the number of projects, some changes in the names on the doors, longer assignments, new slogans, some strategic retreat in those areas in which the Agency has trodden on the toes of the powerful. Both the programs and their packaging likely will be changed.

To the zealot committed to the Agency and its ways of doing, such changes might seem a compromise, a retreat on principle. But to the realist it would be the price paid for continued existence, a way of rallying and retaining the required political support. Commitment should be the objective, commitment to the conquest of hunger, much in the terms that President Truman stated it forty years ago. For the strategy and the tactics, flexibility is appropriate.

It would make no more sense to reduce our commitment to international agricultural development after our forty years of successful effort than it would have been to cut back our national dedication to agricultural betterment in 1902, forty years after it had been launched.

International agricultural development is one of those few areas in which ethical behavior and long run enlightened self-interest are, to a large degree, compatible. In any restructuring of the agency, this idea should be kept in the forefront.