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Increasing Participation in Development

PRIMER ON TITLE IX

of the United States Foreign Assistance Act

The Agency for International Development
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FOREWORD

Title IX of the Foreign Assistance Act enjoins the Agency for International Development to seek new approaches to improving the quality of life for the people of the less developed countries. It encourages us to place greater stress on social and civic development and take steps to ensure that the broad masses of the people both participate in and benefit from the development process.

Title IX is a significant injunction. We must always remember that man does not live by GNP growth alone -- that an equitable and widespread improvement in the lives of people is the overriding aim of development.

I hope that this Primer will be widely read, and that it will encourage us to sharpen our sensitivity to the needs and human aspirations of the people to whom our assistance efforts are directed.

John A. Hannah

September 27, 1970

TITLE IX OF THE FOREIGN ASSISTANCE ACT

ERRATUM

The following amendments to section 281 were made in 1968:

1. Section 281(c) -- add the following final sentence: "In particular, emphasis should be given to research designed to increase understanding of the ways in which development assistance can support democratic social and political trends in recipient countries."

2. Add a new section 281(e) -- "In order to carry out the purposes of this title, the agency primarily responsible for administering part I of this Act shall develop systematic programs of in-service training to familiarize its personnel with the objectives of this title and to increase their knowledge of the political and social aspects of development. In addition to other funds available for such purposes, not to exceed 1 per centum of the funds authorized to be appropriated for grant assistance under this chapter may be used for carrying out the objectives of this subsection."

PART I

ACTIONS & COMMENTS OF THE CONGRESS

Title Nine and Related Legislation

The first version of Title IX of the Foreign Assistance Act appeared in 1966, and the text of it included only what became the first paragraph, or Section 281(a), of the 1967 version reprinted here. To illustrate some earlier legislative background to Title IX, the so-called Humphrey and Zablocki Amendments of 1961 and 1962 respectively have been included in this subsection. Official Committee commentary on all three items is included in the next subsection of Part I.

TITLE IX OF THE FOREIGN ASSISTANCE ACT

Utilization of Democratic Institutions in Development

SECTION 281. (a) In carrying out programs authorized in this chapter, emphasis shall be placed on assuring maximum participation in the task of economic development on the part of the people of developing countries, through the encouragement of democratic private and local governmental institutions.

(b) In order to carry out the purposes of this title, programs under this chapter shall—

(1) recognize the differing needs, desires, and capacities of the people of the respective developing countries and areas;

(2) use the intellectual resources of such countries and areas in conjunction with assistance provided under this Act so as to encourage the development of indigenous institutions that meet their particular requirements for sustained economic and social progress; and

(3) support civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

(c) In the allocation of funds for research under this chapter, emphasis shall be given to research designed to examine the political, social, and related obstacles to development in countries receiving assistance under part I of this Act.

(d) Emphasis shall also be given to the evaluation of relevant past and current programs under part I of this Act and to applying this experience so as to strengthen their effectiveness in implementing the objectives of this title.

AMENDMENT ON COMMUNITY DEVELOPMENT, 1962

This Amendment, sponsored by Congressman Clement J. Zablocki of Wisconsin in 1962, another expression relative to increasing popular participation in development, is a Section of Chapter 6, Part I of the Foreign Assistance Act of 1961, as amended.

SECTION 461. Assistance to Countries Having Agrarian Economies. Wherever the President determines that the economy of any country is in major part an agrarian economy, emphasis shall be placed on programs which reach the people in such country who are engaged in agrarian pursuits or who live in the villages or rural areas in such country, including programs which will assist them in the establishment of indigenous cottage industries, in the improvement of agricultural methods and techniques, and which will encourage the development of local programs of self-help and mutual cooperation. In such a country *emphasis shall be placed upon programs of community development which will promote stable and responsible governmental institutions at the local level.*

AMENDMENT ON COOPERATIVES, 1961

This Amendment, authored by the then Senator Hubert H. Humphrey, is a part of Chapter 1, Part III of the Foreign Assistance Laws and Documents of 1961.

SECTION 601. Encouragement of Free Enterprise and Private Participation. (a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, *to encourage the development and use of cooperatives, credit unions, and savings and loan associations,* to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed friendly countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

Excerpts from Congressional Reports & Studies

The following are simply the most relevant passages from a variety of Congressional committee reports, not all of which relate directly to Title IX.

UTILIZATION OF DEMOCRATIC INSTITUTIONS IN DEVELOPMENT, 1967

Section 108 of House Report 551, on the Foreign Assistance Act of 1967 provides commentary reflecting Congressional intent on the new subsections (b), (c), and (d) which are regarded as **a series of guidelines** *for carrying out the original subsection (a) of Title IX.*

. . . Over the years, the committee has found that similar programs carried out in different countries frequently produced markedly different results, and that the effectiveness of economic assistance undertakings tend to vary in relation to their success in involving an increasing number of people in the development process. For these reasons, the committee believes that in the preparation and implementation of economic assistance programs, more attention should be given to the **human resources** of the individual recipient countries. The Agency for International Development (AID) should also strive to find new and imaginative ways of engendering in the masses of people of the developing countries the desire and interest to become involved in development—either individually or through group action.

. . . The development of an infrastructure of self-sustaining, **viable institutions** on the local, provincial, and national levels is necessary to achieve increased popular participation in development and to enhance the success of developmental undertakings. During the past two decades, public and private entities, including credit unions, cooperatives, labor unions and other voluntary associations, have helped to mobilize the human resources of the developing countries and to multiply the results of aid programs. Additional institutions, tailored to the conditions prevailing in particular recipient countries, can further advance this process. The committee hopes, therefore, that AID will begin to provide more support for the building of public and private institutions which can channel the vast creative energies of the people of the developing countries into constructive developmental endeavors.

The availability of such [civic] skills is critical to the success of institutional development. . . . The committee is of the opinion, however, that in this area of development activity, both the initiative and the human resources should come primarily from the aid-receiving countries. AID's role should be that of providing support for locally initiated projects, encouraging educational and other institutions to become active in this field, and promoting joint collaboration between public and private institutions within the same geographical region. AID should draw upon the advice of individuals, both in the United States and abroad, who have had experience with civic education and politics in exploring other approaches in this field.

. . . Studies conducted by this committee . . . suggest that improved knowledge of in-country conditions including information about factors affecting the attitudes and motivations of the populations of the developing countries could increase the effectiveness of aid programming in relation to Title IX objectives. Since the enactment of Title IX initial research efforts have been undertaken with respect to countries where the opportunities appear especially advantageous for launching action programs in cooperation with host governments under the Title IX mandate. The committee hopes that these research efforts will be intensified.

. . . It is the committee's belief that increased emphasis on research and evaluation will assist the AID in determining what sort of democratic development, in which sectors or spheres, can be reasonably expected of particular countries, and what sort of activities it would be most feasible and justifiable for AID to undertake, to encourage other agencies or nongovernmental organizations to sponsor, in order to further the implementation of Title IX.

UTILIZATION OF DEMOCRATIC INSTITUTIONS IN DEVELOPMENT, 1966

The following is excerpted from House Report 1651 (1966) which provides background on the original short form of Title IX in the Foreign Assistance Act of 1966.

. . . Over the years, in exercising legislative oversight with respect to the administration of the foreign assistance program, the committee has observed that there is a close relationship between popular participation in the process of development, and the effectiveness of this process.

As a consequence, the committee has written a number of provisions into the Foreign Assistance Act and its predecessor statutes urging that economic and technical assistance be used to stimulate the development of *local programs of self-help* and mutual cooperation through such measures as

loans to small farmers;
encouragement of cooperatives, labor unions, and savings and loan-type institutions;
utilization of voluntary agencies; and
support of integrated programs of community development designed to promote stable and responsible governmental institutions at the local level.

The committee finds that despite these periodic expressions, popular participation in the tasks of development is increasing at a very slow rate. The great potential for planning and implementation of development activities, contained in the mass of the people of the developing countries, is still largely untapped, which slows down the achievement of the objectives of the foreign assistance program. On the contrary, it has become increasingly clear that failure to engage all of the available human resources in the task of development not only acts as a brake on economic growth but also does little to cure the basic causes of social and political instability which pose a constant threat to the gains being achieved on economic fronts.

For these reasons, the committee has proposed the language embodied in the new Title IX. This language directs that new attention and emphasis be given in the administration of U.S. development assistance programs to the goal of attaining a larger measure of popular participation in development. This goal can best be achieved through the fostering of cooperatives, labor unions, trade and related associations, community action groups, and other organizations which provide the training ground for leadership and democratic processes; through making possible increased participation of such groups and of individuals in the planning, execution, and evaluation of development undertakings; through broader and more effective utilization of the experience and resources of existing private and voluntary organizations; and, generally, through the building of democratic private and public institutions on all levels —local, state, and national.

The achievement of the basic objectives of the new Title IX may require:

(a) change in the approach of the Agency for International Development and the assignment of *higher priorities* to the immediate objectives outlined in the foregoing paragraph;
(b) strengthening of the Agency's *capability to identify*, in cooperation with the governments of aid-receiving countries, the existing and latent democratic forces which can aid in the development process; and
(c) increased reliance upon *nongovernmental organizations* with a demonstrated competence to enlist popular participation in the development process.

The committee plans to keep close check on the manner in which the intent of this new Title IX is carried out, The committee expects the Agency for International Development to bear in mind the purposes put forth in this title in preparing specific projects and programs—and to develop, and use in its next presentation to the Congress, meaningful criteria for judging the results of this effort. Such criteria ought to include information about the extent to which the population and key groups of each aid-receiving country are involved in such institutional development. AID's reports should evaluate American assistance not only in economic terms, but also in terms of the extent to which our aid encourages democratic processes.

DEVELOPMENT OF COOPERATIVE ENTERPRISES

The following excerpts are taken from a Report, entitled "Development of Cooperative Enterprises, 1966, under the Foreign Assistance Act of 1961," issued for the Subcommittee on International Finance of the Committee on Banking & Currency of the House of Representatives, 90th Congress, First Session.

Cooperative development started in a systematic and planned way after Congress passed Section 601 of the Foreign Assistance Act of 1961, better known as the Humphrey cooperative amendment. . . .

This amendment became a directive which encouraged a positive cooperative program, creation of a division in AID to look after cooperative projects, the use of cooperative specialists in AID's regional offices in Washington and its Missions abroad, and the direct participation of U.S. cooperatives in foreign aid. . . .

The Foreign Assistance Act of 1966 incorporates under a new Title IX, the Foreign Affairs Committee's recommendation that new attention and emphasis be given to attaining the largest measure of popular participation in foreign aid. . . . These Congressional recommendations strengthen the action program which was submitted to the AID Administrator by a cooperative advisory committee five years earlier, shortly before the passage of the Foreign Assistance Act of 1961.

The contribution that cooperative and nonprofit organizations can make, because of their unique ability to involve large numbers of people and to enlist their support and services, was also recognized in the report of the Advisory Committee on Private Enterprise in Foreign Aid. The report states:

> We strongly urge AID, in reviewing and responding to a country's development strategy to place major emphasis upon the planning, host country commitments to, and the execution of educational programs. In such programs we urge AID to use every means to tap the rich resources in U.S. universities, labor unions, cooperatives, business enterprises, professional societies, and other nongovernment entities. . . .

The report also places high priority on the export values of technical and professional services, of the kind provided by U.S. cooperatives, holding that they should be made eligible for this same financing and guarantee facilities from AID and the Export-Import Bank that exporters of tangible goods now receive.

There are many examples of the widespread support and enthusiasm that a successful cooperative effort can inspire, especially when the people feel strongly enough to become deeply involved in the planning, organization, and direction of such community-wide enterprises.

COMMUNITY DEVELOPMENT FOR AGRARIAN ECONOMIES

The following is excerpted from House Report 1788 (1962) which enlarges on the so-called Zablocki Amendment on community development.

. . . During the past 10 years, through its foreign assistance programs, the United States has spent approximately $50 million in support of community development programs in 30 countries. Almost one-half of this amount was allocated to help launch major programs in India, Pakistan, and the Philippines. Prior to 1955, U.S. assistance for community development emphasized equipment and supplies, such as vehicles for village workers. Since 1955, the emphasis has shifted to providing technicians and participant training in addition to small amounts of supplies and equipment.

Basically, community development approaches the local community as a whole and is directed toward helping people, on the village level, to participate effectively and with knowledge in shaping the future of their own community and of their nation.

The product of successful community development is not only wells, roads, schools, other community facilities, and new crops; it is, more properly, the development of stable, self-reliant communities with an assured sense of social and political responsibility.

The Committee believes that community development can be a dynamic force leading to economic improvement, social advancement, and orderly political growth. . . .

COMMUNICATIONS AND POPULAR PARTICIPATION

The following are excerpts from section M, "Recommendations: Communications with the Developing Countries" in Report No. 5, "Modern Communications and Foreign Policy," by the Subcommittee on International Organizations and Movements of the House Committee on Foreign Affairs, House Report No. 362 (1967).

Turning now to the task of communicating with the developing countries, . . . we recommend the following:

> *First, that our government employ modern communications on a broad scale to launch a frontal attack on the basic problems of the developing countries, altering as necessary the scale of priorities which until now has dominated the structure of our foreign aid program.*

Testimony presented in the record of our hearings stressed time and again that the primary task confronting the less-developed countries is the development of their human resources. Until those resources come to be utilized in the process of development, there will be no lasting solution to the problems of hunger, disease, and poverty which are the daily lot of nearly two-thirds of the human race.

There isn't enough food in the world, or enough aid that can come from the industralized countries, to improve materially the condition of life of the majority of people of the developing countries. Only they can do that job. And modern communications offer us the opportunity to help them get started.

Modern communications can be used to stimulate achievement motivations, to spread innovation which is necessary for growth, to teach skills, and to help in the establishment of cooperative and community institutions which can multiply the product of development efforts.

Communications are being used for those purposes today—but on a very modest scale. . . .

. . . This new emphasis [of Title IX] is consistent with, even demands, greater support of communications in our foreign aid undertakings.

> *Second, we recommend that our Government exert special effort to make the content of our communications responsive to the aspirations and conditions of the people in the developing countries. We should also strive to discover and employ the combination of media best suited to promote the process of development in each given case. . . .*

POLITICAL ASPECTS OF THE ALLIANCE FOR PROGRESS

Abridged and excerpted from a Study prepared at the request of the Subcommittee on American Republics Affairs by the Staff of the Committee on Foreign Relations of the House, 18 September 1967.

Introduction—The first of 12 stated goals in the Alliance for Progress, signed at Punta del Este, August 17, 1961, is "to improve and strengthen democratic institutions through application of the principle of self-determination by the people."

One could recite a long list of other inter-American agreements which call for the strengthening of democratic institutions. The political emphasis runs through the whole history of inter-American relations, but in practice it has generally been applied too cynically, too naively, or not at all. . . .

From the end of World War II until the summer of 1960, the Latin American policy of the United States was based on the premise that the problems of the area were essentially economic and that they could be solved by massive private investment . . . , by hard loans from the Export-Import Bank and the International Bank for Reconstruction and Development, and by a modicum of technical assistance.

The adequacy of this policy was increasingly questioned in the late 1950s, and on July 11, 1960, in a statement at the summer White House in Newport, President Eisenhower signalled a change. The new policy, which culminated the following year in the Alliance for Progress, was based on the premise that the area's ills were primarily social and could be cured by reform—land redistribution, progressive income taxes honestly collected, housing projects, educational programs, improved health facilities, and the like.

At the summit conference in Punta del Este in April 1967 . . . , the emphasis seemed to shift again, this time to the premise that the road to salvation lies through regional economic integration as the best, if not the only, way to bring about sufficient economic growth to support social reform.

These approaches, of course, are not inconsistent. But taken either separately or together, they do not reach the heart of the problem, and therefore they are not adequate policies. Neither are they totally ineffective. . . .

The real interest of the United States in Latin America is neither economic nor social; it is political. . . .

Past and present U.S. policies toward Latin America have been justified in major part on the grounds that economic development and/or social reform would facilitate the development of these kinds of political institutions [that is, reasonably well-rooted, stable, democratic political institutions]. The argument is that a general improvement in standards of living combined with a restructuring of the social order will remove some of the causes of discontent and thereby reduce the strains on political institutions. This is a valid argument, but it deals with only a part of the problem. It could just as reasonably be argued that political stability is a prerequisite to economic growth.

Frequently it has seemed that the United States has been caught in the painful dilemma of choosing between caudillos (military strong men) and Communists. Neither choice is at all satisfactory.

Rather, the true national interest of the United States lies in helping Latin America find a middle way between caudillos and Communists—and in recognizing this middle way when it is found. One of the iniquitous things about caudillos is that they tend to justify their own actions by exaggerating the strength of the Communists. U.S. diplomacy has not always been adequate to the admittedly difficult task of making clear, hardheaded assessments in these situations. As a consequence, the United States has sometimes wrestled with a caudillo-Communist dilemma where none existed.

Thus the pre-eminent problem for Latin America is how to evolve a new set of political institutions which will be capable of dealing with social change. The pre-eminent problem of U.S. foreign policy toward Latin America is how to influence Latin American political development in ways not incompatible with the national interest of the United States—and always remembering that the degree of U.S. influence is marginal at best.

The Process of Political Development—The goal of political development in Latin America is the growth of stable political systems in which there is broad popular participation and which are generally responsive to the wishes of the people. *This encompasses a great deal more than elections and political parties.* It includes civic and economic organizations—pressure groups—of all kinds. It involves not only participation, but a sense of participation.

The forms of a political system have an important bearing on the way the political process works. . . . For example, most Latin American governments are highly centralized, . . . Administratively, it is much more difficult to operate a centralized government than a decentralized one, and competent public administrators are in extremely short supply in Latin America. This

is one reason, among many others, why some Latin American governments have difficulties enforcing their authority, but these very difficulties make them even more reluctant to relinquish any of it. More freedom in the popular election of local officials is frequently prescribed . . . But sometimes instead of encouraging grass roots democracy, this proves to be a disruptive force. . . .

The role of the legislative bodies . . . has received very little attention. The mechanics of the electoral process are also important. . . .

. . . The effects of such details of the electoral process have been studied very little; yet it seems apparent that the effects may well be more far reaching than is generally supposed. A change in political mechanics might well result in a change in political structure as parties and other political institutions change so as to adapt themselves to the new mechanics.

Political parties are, of course, the organizations most directly involved in the political process. The cause of political stability and growth is likely to be better served to the degree that these parties are based ideologically rather than personalistically, and broadly rather than narrowly. The PRI in Mexico, indeed, is one of the greatest political advances which Mexico has made relative to the rest of Latin America where parties typically fragment over relatively insignificant questions of policy.

But political parties are only a part—perhaps not the most important part—of a country's political institutions. There is a wide variety of other organizations which provide a daily means for popular participation. These include professional societies, labor unions, business groups, trade associations, farm groups, etc. In their totality they tend to cushion a society from abrupt or violent shocks and to lessen the effect of these shocks when they occur.

Finally, political development importantly involves attitudes. A prerequisite of political development is that people want to participate in the political process, not only in the narrow sense of voting and engaging in party activities, but also in the broader sense of taking part in cooperative projects in the community. Another prerequisite is that people think that through such participation they can change something. . . .

The main point with respect not only to community development but also to the total range of civic groups is that through such organizations people get used to the idea of working together for a common end. This idea, which is taken for granted in the United States, is alien to Latin American culture; but it is basic to a democratic society and a liberal free enterprise economic system. The economic dividends of such activity, which are fre-

quently the stated goal, are in reality only fringe benefits. The real objective is, or should be, the development of a new institution and a new feeling of self-reliance and community cooperation in place of the traditional paternalism and Latin kind of individualism. This is self-help in its most basic sense.

U. S. Policy. It must be recognized that Latin American politics covers a much broader spectrum than that to which North Americans are accustomed. The balance is unquestionably on the left, in North American terms; but at the same time, the far right in Latin America . . . has a disproportionate share of political and economic power; it also has a disproportionate number of people who are bilingual in English and "pro-American". The Alliance for Progress, which is about as interventionist and revolutionary a program as one could conceive, frightens these people.

. . . Yet the Alliance is a gamble that has to be taken, because the question is not whether there is going to be change in Latin America, but what kind of change. . . .

This is the real purpose of title IX of the Foreign Assistance Act. There is nothing here that was not already in the Act, either implicitly or explicitly, but title IX, together with its legislative history, served to give a new emphasis to programs and problems of political development.

Any consideration of how the United States might implement title IX and help Latin America through its painful period of transition has to start from the premise that U. S. influence is severely limited. The institutions which people devise to make their societies work are peculiarly and intimately a matter of domestic concern. If they are to be practical, they have to evolve out of a people's own experience, and what works in one set of circumstances is unlikely to work in another. Outside advice is likely to be mistaken. . . .

. . . The United States needs a long-term strategy of political development in Latin America, and it needs to relate its economic and its short-term political policies to this strategy. This involves, of course, some painful choices.

. . . There is a wide range of economic and civic institutions which have political implications and which the United States can encourage in one way or another. These include the rudimentary organizations which result from community development projects, cooperatives, labor unions, and so forth. Some of this is now being done, but the political objectives need more explicit recognition. Adult literacy programs particularly offer a useful base for civic education—not through comic books on how bad Castro is, but on how the garbage gets collected, who is responsible for fixing the streets, etc.

. . . By no means all this needs to be done through governmental programs. Much of it is better done by private instrumentalities, and more attention needs to be given to encouraging private groups—without involving the CIA.

If we have the wit to be sufficiently subtle and indirect about it, we can help to clarify for the Latin Americans the choices that confront them. . . .

We have to remember, however, that the choices in all these matters are up to the Latin Americans. We can help clarify the factors involved, but the future of Latin America is going to be determined in Latin America, not in Washington—or in Moscow either, for that matter.

We have also to remember that it is going to take at least another generation for this transitional process in Latin America to work itself out; that at best the process is not going to be easy; and that we can expect a good many more disturbances of one kind or another to the south. . . .

A STRATEGY OF INTER–AMERICAN DEVELOPMENT

In a report submitted on July 19, 1969 to the House Committee on Foreign Affairs, Congressman DANTE B. FASCELL, chairman of the Subcommittee on Inter-American Affairs, reviewed the uses of U.S. assistance to the Alliance for Progress. A short excerpt from his report follows.

Until very recently, the bulk of our assistance has gone to specific industrial development projects -- powerplants, communications, transportation, and other infrastructure – and for budgetary and balance–of–payments support. . . .

A relatively small component of our aid has been devoted to technical assistance, education, agriculture, and various social programs including health, maternal and child care, family planning, and the like.

This distribution of U.S. aid has been governed, primarily, by the accumulated, pressing needs of the Latin American central governments and their desire to broaden the productive base of their national economies by investing in rapid industrialization.

As a result of those priorities, little of our aid has been visible to the masses of the Latin American people.

And little of it has been reflected in basic social and structural reforms which are supposed to be the cornerstone of the Alliance for Progress.

As a matter of fact, by being channeled largely through the central governments of the Latin American countries, our aid, in at least some instances, may have helped to stiffen resistance to change.

That situation is changing. During the past 2 years, an increasing portion of U.S. aid resources has been applied to the task of finding and implementing breakthroughs in education and agriculture, to the development of basic local institutions, and to the promotion of broader popular participation in the processes of change – as well as in its fruits.

After years of working with the problems of development, we are finding out, and so are the Latin Americans, that national growth, prosperity, and progress cannot be built on a narrow industrial base.

Effective development undertakings must be comprehensive in scope. They have to be based on a regional approach and aim at the totality of each Latin American society. Above all, in accordance with the concepts outlined 3 years ago in title IX of the Foreign Assistance Act, they have to seek to broaden people's participation in the processes of change.

The U.S. aid program is beginning to move in that direction.

Congressmen BENJAMIN S ROSENTHAL and JOHN C. CULVER offered the following "Additional Views" to the above-mentioned report submitted by Congressman Fascell.

The subcommittee's report, and its recommendations for the Alliance for Progress, represent a valuable reappraisal of an 8-year effort in Latin American which so far has been a generally disappointing attempt to assist the social, economic, and political development of the continent.

There is a wholly commendable consideration in both the report and its recommendations, on economic and developmental techniques and approaches. It is also vitally important, however, to assess the grave political problems of development in Latin America.

The Alliance for Progress, was in origin, an attempt to confront the example of Castro in Cuba with a peaceful, revolutionary alternative. It was based on the need for all Americans (North and South) to support those moderate and progressive forces which could bring about fundamental social change peacefully, and within representative political government. As a redirection of American policy, the Alliance was designed to identify our goals with the moderate and democratic elements of those new forces struggling for political and economic power in Latin America.

With only few exceptions, this attempt has failed. Despite the challenges of the Alliance, the United States has maintained its more traditional ties with the established groups in Latin society, especially the landed aristocracies and the military. It has done so because it lost sight of the original Alliance objectives of political development. We embraced instead, for real or imagined security considerations, for foreign trade goals, or for other reasons extraneous to the Alliance, the more proximate goals of political stability. We did this even when such stability prevented the progressive and democratic change we pledged to work toward at Punta del Este when the Alliance for Progress was born.

These considerations are absolutely necessary to any evaluation of why, and to what extent, the Alliance has failed and what we can do to reaffirm and fulfill its goals. Eight years later, these goals are even more urgent.

THE INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE

Authority to establish an Inter-American Social Development Institute was included in the Foreign Assistance Act of 1969. Two of the four

statutory purposes of the Institute were declared as being: (1) to stimulate wider participation of the people in the development process, and (2) to encourage the establishment and growth of democratic institutions, private and governmental, appropriate to the requirements of the individual countries in Latin America. Below are excerpts from the report of the House Foreign Affairs Committee on this new section of A.I.D.'s legislation.

In recommending the establishment of the Institute, the Committee is suggesting a new direction, and a new emphasis, for United States assistance efforts in Latin America. This suggestion emerges from a comprehensive reappraisal of the Alliance for Progress conducted earlier this year by the Subcommittee on Inter-American Affairs, as well as from the full committee's review of the overall framework of United States policy toward Latin America. It is based on three major premises:

First, that during the past 8 years all too little United States assistance has reached the masses of the Latin American people or made a visible impact on their daily lives;

Second, that the social development goals of the Act of Bogota, the Charter of Punta del Este and the Declaration of American Presidents, whose objectives of expanding opportunity for the great majority of people form the very cornerstone of the Alliance for Progress, are not being achieved in any substantial, meaningful sense; and

Third, that while Alliance for Progress programs operating at the government-to-government level have done an impressive job in promoting industrial and economic growth of Latin America, they have proved much less effective in responding to the requirements of social and civic change on that continent.

The proposed Inter-American Social Development Institute is intended to assist in rectifying those shortcomings and in restoring the necessary and proper balance between the economic and social objectives of inter-American cooperation and development.

By providing the means whereby private, governmental, and international resources can be made available on a continuing, long-term nonpolitical basis for sound, self-help Latin American undertakings in the social development field, the Institute can help to overcome an important gap in the machinery of the Alliance for Progress. . .

As envisioned in the bill, the Institute will operate primarily through private rather than governmental channels on a "nation-to-nation," "institution-to-institution", and "people-to-people" level. There are some 800 nonprofit organizations in the United States which are presently involved in social development activities in Latin America.

The Institute will have a small, carefully selected staff, limited in size to 100 persons. The primary function of the staff will be to review and support sound private undertakings in the field of social and civic development; to stimulate research, innovation, and experimentation in overcoming bottlenecks to progress in education, agriculture, and basic environmental conditions relating to health, housing, and other social needs of the Latin American peoples, to help support, when requested to do so, indigenous efforts toward development of local institutions required to facilitate broader popular participation in development; and generally, to help the Latins pave the way for the modernization of their societies in order that they may be able to achieve the social and human, as well as the economic, goals of the Alliance for Progress.

The committee believes that a number of development assistance programs presently administered by the Agency for International Development can and should be transferred to the Institute as promptly as possible. These should include such activities as promotion of cooperatives, credit unions, and savings and loan associations; support for demographic research, planning, and related population programs; civic development, including peasant leadership training, civic education, legal reform and aid, and democratic organization of labor; and other title IX–type undertakings. . .

Comments of Congressmen

The following items consist of excerpted passages from speeches, articles, and various individual statements of individual Congressmen which are directly related to Title IX.

NEW DIRECTIONS IN FOREIGN AID

From an article by Congressman DONALD M. FRASER *of Minnesota, a principal author and interpreter of Title IX, in* World Affairs, *Volume 129 No. 4 of 1967.*

. . . It is my thesis that the conceptual formulation of foreign aid suffers because it is being cast in mistaken terms. As a consequence, the problems of the developing world seem intractable and incapable of solution.

. . . Traditional champions of aid in the Senate are demonstrating increased skepticism of our aid programs. The fate of the foreign aid program this year in the House of Representatives is highly uncertain.

Although the apparent intractability of the development problem can be overstated, in the over-all picture there is little cause for optimism. The problem of the developing nations has been described largely in economic terms. Conventional wisdom tells us that economic assistance is the primary need, and that economic aid results in a better life for the people, moderates strains and stresses on the political system, and encourages the growth of democratic institutions. This statement of the problem has led us into blind alleys.

Two propositions are implicit in this formulation. First, that economic aid provides an improved economic position for the people of these countries. Second, that an improved economic position is a prerequisite to the growth of democratic institutions.

Does economic aid lead to an improved position for the people of the nation receiving the aid?

Consider for a moment United States economic aid to Latin America. . . Our aid barely exceeds one per cent of the gross national product of this region. If a one per cent increment to their wealth can meet development needs, what has the one hundred per cent of their own wealth been doing all of this time?

Although the economists' reasoning which underlies this approach is impressive, the conclusion that a one per cent supplement in the form of aid for a ten year period—the period of the Alliance for Progress—can do what one hundred per cent has not been able to do for a century, is not persuasive.

This proposition deserves to be mulled over thoughtfully and reflectively. The increasing overall gap between the poor and the rich nations, the inability to detect much progress in the lives of most of the people of the nations we have helped, and the downward movement of basic indicators in some areas in which we have made major efforts cannot be blinked away. If we cannot contribute significantly to economic progress, the second proposition, that improvement in the economic lot of a people will lead to the growth of stable democratic nations, is illusory.

Moreover, the relationship between stages of economic growth and the stability and democratic quality of a government is an uncertain one. . . .

How, then, should the development problem be stated? There is increasing evidence that the major shortcoming in the developing nations lies in their political and social structures. Until we address ourselves to this reality, little progress will be made. The formulation should be inverted. The problem of the developing nation requires attention to the social and political structures. These must be changed to release the energies of individual men and women who want to improve their lot. This will lead to economic progress.

. . . Changes in American society as it continues to grow reinforce the impression that from the beginning a concomitant of economic development, if not a prerequisite, is a growth in **pluralism.** Where this pluralism is inhibited—where decision making is not located at the most advantageous point—growth is bound to lag.

Instead of a decentralized, pluralistic approach with which we began in the United States, we find in most of the developing world centuries-old, traditional societies. The citizen has become resigned to his inability to change his environment. He has lived under officials whose authority derives from a remote central government rather than from the citizen, and who often are corrupt. Control over education, land tenure, marketing opportunities, education, and roads has never been held by the citizen. The wealthy power structure has always played an overwhelming role. Hope of producing significant change in such societies through changes in central government seems small. Any changes of importance threaten vested interest, whose power to defeat or delay change is notorious.

The need to improve the lot of people in many developing countries is articulated by national political movements. Because these political movements originate within the cultural environment of the nation, shortcomings in the society are regarded as the responsibility of the central government. In their eyes the way to correct these deficiencies is to put new leadership into the central government. The inherent limitations of working through the central government will not be readily evident because any alternative lies outside their experience. Moreover, decentralizing authority is not an instinct of politicians who hold power.

The problem is aggravated by the tendency of most idealistic parties—the most highly motivated parties—to be impatient with the speed of development progress. The decentralization of function and decision-making and the strengthening of institutions closer to the people and more dependent directly upon them appear as an improbable course which is slower and requires increased dependence upon others who may lack strong motivation. Yet these highly motivated political parties come to office with great expectations which cannot be easily fulfilled. One common result is popular skepticism and cynicism and attraction to even more radical movements.

These conclusions are shared by many, though perhaps most would state them somewhat differently. They are not, however, accepted by enough of the decision makers in the United States Government. Moreover, . . . it is easy for someone to acknowledge the social and political shortcomings of these societies, but too often that same person says in a challenging voice, just try changing them and see how quickly your fingers get burned.

Those who adhere to this latter view have not grappled with the issue adequately. One cannot fully accept the view that social and political shortcomings are basic, and then suggest continue treading the old paths. Some of our present aid programs reinforce existing social and political patterns and thus are detrimental. They should be terminated or changed but will not be by those who only pay lip service to the problem.

. . . The ways in which people organize for social, economic or political purposes are not unique to separate cultures. Municipal government exists more or less in almost every society. The corporate device is found in every advanced country. Cooperative movements have been strong in many developing nations for years and take root easily in others. The commonality of experience among most nations . . . in political organizing is striking to those of us who have been active participants in the political process.

Finally, it must be noted that development is an unending process. This is especially the case as political development is accepted as a part of the development picture. . . . The United States should perceive its international development role as an integral part of an over-all concern for an improved ordering of men's affairs. In the pursuit of this we need to share experience within and among all nations. Our attitude should be one of participating in mutual undertakings in a common cause, opening dialogues at all levels to mark out common courses of action.

The pluralistic approach should be accepted as a working hypothesis. A pluralistic approach, however, does not mean a scatter-gun effort. The development of institutional capacities should be a part of an integral plan which takes the broadest possible perspective. Efforts to strengthen cooperatives, labor unions, various levels of government, private enterprise, citizen participation, and educational institutions should not be pursued singly, but should flow from an over-all concept of how these and other social institutions relate to one another. This approach is particularly needed in the agricultural sector where action is necessary on a wide variety of fronts if increased agricultural production is to be achieved.

One of the most important vehicles for producing change in society is through political movements. In many ways the political parties of developing nations are highly sophisticated but need to deepen their understanding of development processes. . . .

In all of these efforts the initiative should come from those we seek to help. The problems should be discussed, examined and analyzed together. . . .

The entire range of pluralistic endeavors in the United States should be examined with care, sensitivity, and caution in order to maximize their contribution to the developing world. The role of the country aid mission perhaps should shift to a larger emphasis on monitoring and evaluating the undertakings in which the United States Government invests, letting others become more involved on a long term basis through institutional frameworks which are durable and appropriate to the problem.

A basic reorientation in our thinking is required to put social and political evolution as the first concern, with economic aid playing the supporting role rather than the other way around. Such a change in priority would more clearly serve the national interest of the United States and would better serve the aspirations of the peoples of the developing world.

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THE SPIRIT OF TITLE IX

Congressman DONALD M. FRASER *supplied "Additional Views" in the Report of the House Committee on Foreign Affairs, on the Foreign Assistance Act of 1967 (House Report No. 551, 11 August 1967), in which he challenged "two myths" —that we reduce the likelihood of radical movements by economic progress, and that economic aid provides an effective answer to the threat of Communism. The following quotations, however, are more directed to the spirit of Title IX.*

. . . Disillusionment may well follow within the United States as it becomes increasingly clear that economic assistance is having only a marginal impact upon the conduct of other nations. By seeking public support for economic aid on the grounds that it will dramatically influence political behavior of other nations, we are headed for a fall. The public will become disenchanted, and the legitimate and useful ends to be served by well constructed aid programs will be lost in the withdrawal of public support.

A more positive approach to the world can be far more productive. The United States and the West are most generously endowed with creative concepts about the ways in which societies can be organized to advance the welfare of people. We have much to share with other nations, although we also have much to learn.

The ideology of the West is a positive one. The principle of giving people **the right to organize** for social, political and economic ends is sound and productive. Decision-making powers conferred on those who face the problems stimulates the growth of responsibility and the skills of social organization. The right of majority rule and the protection of the rights of the individual have universal appeal. The understanding and application of these ideas is at the heart of ideology. Ideology in turn is the lifeblood of politics and political movements. Yet we eschew communication and dialogue at this level. We carefully strain out politics and political controversy in our relations with other nations. Only the Communists organize a Havana conference to beef up the motivation and commitment of political movements.

Economic aid can play a constructive role in our relations with other nations. Especially at the technical assistance level, but also through judicious use of concessional loans, we can help governments meet the needs of their people. But this should be undertaken in the spirit of assistance to the people of those nations, not as a self-serving effort on our part. We should look neither for friendship, votes in the U.N., nor for support on international policies as rewards for our aid. We should have only one

main criteria for our aid efforts. Do they advance the welfare of the people of the recipient nation and do they advance it in such a way that the capacity of the people to continue to work at their own problems is enhanced? If our aid policies were undertaken in this spirit, we would build durable relationships with other societies which could survive the vagaries of political leadership and policy changes which from time to time may not be to our liking. In other words, if we seek to help the people of these nations we should accept the political realities which from time to time may generate political leadership which sees the world and their own national interest in a different light than we see them. Our aid should be concentrated on building the institutions and political and social infrastructure as well as the physical infrastructure which offers the best hope to the people of these societies for meaningful participation in all phases of their national life. . . .

THE TRICK IS PEOPLE

Congressman F. BRADFORD MORSE *of Massachusetts, a co-author of and a principal Republican spokesman on behalf of Title IX, discussed the philosophy, strategy and techniques of foreign aid at a Stanford University conference on "Societal Change in Developing Countries: Alternatives to Revolution" in early 1967. His remarks appeared in the Congressional Record of 27 February 1967; because of space limits only portions appear below.*

. . . I feel I must take issue with the "Alternatives to Revolution" portion of the conference theme, for I am convinced that there is no alternative to revolution. The problem for the developed and the developing society alike is to encourage that revolution to be a quantitative increase in political effectiveness rather than a cycle of violence, coup and instability.

The deficit in our thinking about development has been that we have concerned ourselves principally with but one aspect: economics. Increasingly we are discovering that this is inadequate. It is not enough merely to provide more economic resources. This must be done, of course, but more money, more dams, more transportation networks will not in themselves bring about the broad-gauge development that is necessary to put the developing societies into the 20th century as effective nations.

We must give equal attention to the development of human resources, in short with political development. Because as John Plank of the Brookings Institution has put it, "political development in the last analysis is something that occurs in individuals."

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It is time to stand some of the traditional theories about development on their heads. . . .

. . . The text of Title IX is short and simple. It provides that "emphasis shall be placed on assuring maximum participation through encouragement of private voluntary organizations and strengthened local government institutions." Both elements are virtually unknown in much of the developing world.

. . . I want to make it clear that by turning our attention to political development, we should in no way insist upon any particular system, nor attempt to impose any particular political institutions. The encouragement of involvement, of popular participation, is the key. Nor do I suggest that we fight the cold war between free and communist societies in the developing world. To be sure, this is still a significant concern as the famous country/city conflict formulation of Lin Piao demonstrates. It has always been a problem for Americans to understand why, despite generous outpourings of money and material goods, the developing nations are not more stable, their people not more committed to the "democratic way of life," and the appeal of communism is still so great.

Part of the problem is inherent in the moderation and pluralism of the democratic approach. Part lies in the relative stages of historical development. C. E. Black has put the contrast well:

"The societies that modernized relatively early were able to adopt a pragmatic approach to their problems and did not bother to think in general terms about what they were doing. When it comes to presenting a succinct statement of their experience and its relevance to other societies, they are at something of a disadvantage as compared with a communist leadership that has gone to great trouble to conceptualize and rationalize its program. In many instances where rapid modernization is taking place with the methods and assistance of the advanced societies, the indigenous political and intellectual leaders are lacking in ideological goals and incentives."

. . . The nations of Latin America, Africa and Asia have experienced more of the negative than the positive factors of development thus far. The disintegrative factors have outpaced the integrative ones. And the job of achieving broad economic and social progress is proving far more difficult than imagination and expectation are prepared to accept. This makes political development all the more necessary and urgent. . . .

Without the existence of political leverage through democratic institutions, frustrations will mount; the people will become more susceptible to demogogic appeals; and violent efforts to smash the machinery of society can be the logical result. The government

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must then be preoccupied with security rather than development, and the vicious cycle of constitutional instability and lack of growth continues.

The key to the **strategies** we adopt to help achieve political development must be the determination of what kind of nation and society is to be the product. The strategies will vary according to the traditions and needs of the country involved. . . .

At the value level, political development involves:

1. A sense of community. This includes the integration into the nation-building process of disparate language, tribal, ethnic and geographic groups.

2. Honest, efficient administration. A government riddled with corruption and inefficiency cannot hope to command the support of its citizens.

3. Democracy. By this I do not mean the institutions of federalism and separation of powers as we know them, but rather rights for all individuals, and the correlative obligations of citizenship, including participation in the political process, respect for law, and the tolerance of dissent.

4. The opportunity for civic participation. This involves the freedom for voluntary associations to exist and flourish. . . .

And now we are brought right down to the level of the individual again. In this connection, I would insist very strongly on the existence and support for free **voluntary private associations** at all levels of government. As we know from our own experience, such organizations are channels for individual expression, teachers of cooperation, and vehicles for economic, social and political change.

The mere existence of such organizations will not ensure liberty, however. They must be democratically run, responsive to the needs of their members, and recognize that opposition to one government may mean responsibility for the next.

This is particularly true of **political parties.** In many countries, parties have not served as vehicles of change, but as vehicles for personal gain. A responsible political party must recognize its role as an agency of civic education, as a training ground for future leaders, and as the potential resource of responsible government.

To this end, it has an obligation to provide accurate and honest information to its members and the public at large, to build for consensus not division, and to define the issues fairly so that the voters have a meaningful choice between relevant alternatives.

. . . What are the **techniques** of political development?

It is here that we are most sadly lacking in information, not only about what techniques will be successful, but about what is already being done. I have been amazed by the number of programs and organizations that have come to light since public encouragement was provided by the enactment of Title IX. One of the other amendments to the Foreign Assistance Act last year called for greater use of the private sector to achieve development goals. These two commands of the law should be closely coordinated.

Whatever our deficiencies as a nation, I am convinced that we have a great deal to offer, perhaps primarily at the private level. I do not think that it is only traditional Republican policy that persuades me of the crucial role that private enterprise, the free trade union movement, universities, women's groups, and trade associations have played in our own development.

. . . Many of them are already engaged in exciting programs; we need the organizational capacity to collect the results of their efforts, and share their conclusions with others.

. . . Some of the most important programs involve the **training of leadership**. . . . Sensitive Americans are engaged in a variety of efforts, using local instructors and specially prepared materials, to help train the community development workers who will go out into the rural areas and attempt to integrate those elements in the national economic and political life.

But training is only one aspect of the political development process. . . . One of the key questions raised in the recent hearings of the House Foreign Affairs Subcommittee on International Organizations on the role of communications . . . was, *motivation for what?* As Congressman Fraser pointed out, the motivation of a farmer to grow more may have a destructive impact when his increase ends up in the hands of a corrupt tax collector.

As a consequence, political development techniques must operate at a number of levels. . . .

Ways must be found to incorporate the political development component into our planning and programming of economic and social development. . . .

One of the most ambitious efforts at political development has been the East Pakistan experience with the creation of **local governmental institutions.** The traditional highly centralized governmental structure was replaced with an integrated township-county-regional system. Wide latitude for decision making was permitted at local levels with provisions for regional networks and systems to avoid duplication and uncoordinated effort. The results, as described in the forthcoming book "The Strategy of

Democratic Development" by Edgar L. Owens, have been remarkable, both in terms of citizen participation and in terms of economic performance.

As these examples demonstrate, the task of political development involves education, the improvement of public administration, and the increase of political leverage for change at all levels. It involves the participation of far more people and resources than is now contemplated by our foreign aid program. It means the resources of U.S. private groups, public programs, and the efforts of our friends in the other developed countries as well. It requires the commitment and resources of the developing countries themselves.

. . . Political development may be an idea whose time has come only to Congress. To some extent the time lag is one of personnel. Some of my friends have argued that you have to be a politician to understand and implement Title IX. Others point to the large number of economists, some of whom date back to the Marshall Plan, in policy-making roles in our aid program. Others note once again how little we really know about development process.

All of these obstacles can be understood, but they do not persuade me that a start, however limited, cannot be made *now* toward the achievement of democratic development goals. We need more research; in particular we need case studies of successful political development efforts. Perhaps most of all we need more people with political skills directing the development effort.

. . . Our success has not been so great, nor is our time span so long that we can afford to close our minds to new concepts and new techniques.

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A.I.D. AND POPULAR PARTICIPATION

A group of 25 REPUBLICAN CONGRESSMEN * *undertook a 6-months study of foreign assistance and issued a concluding statement, abridged below, under the title "New Directions and New Emphasis in Foreign Aid" which was published in the Congressional Record of 15 March 1966. The study had considerable influence on the formulation of Title IX. Three of the group appended individual statements—Congressmen Frelinghuysen and Conte, and, under the title "Toward a Theory of Effective Development," Congressman Morse.*

At its outset, the American foreign aid program was a unique endeavor in the relations among nations. While the American people were willing to embark upon the most generous experiment in all human history, it was nonetheless an experiment. We had no precedents to guide us. We did not know how long it would take. We did not know who should and who should not receive our help. We did not know which programs promoted long-term growth and which did not. We did not know how to organize the effort. We did not even know what the specific goals of our policy should be.

As the Marshall plan evolved into aid to the developing countries, we knew for sure only that our security, our freedom, and our economic prosperity were somehow tied to the security and long-term growth in freedom and prosperity of the billions of people striving for a better life in the southern half of the globe. This is as true today as it was then.

. . . Whatever the successes or failures of our foreign aid program to date, the crisis which demanded our attention two decades ago is as severe and as perilous today as it was then. If we do not recognize the very real revolution of rising expectations in Asia, Africa, and Latin America, and if we make no effort to guide that revolution in a peaceful course toward political stability and economic prosperity, we will soon have to choose between wars of national liberation everywhere or an illusory isolation in a world where the cause of freedom seems doomed to failure.

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* The Congressmen were: from California—Alphonso Bell, William S. Mailliard, Charles M. Teague; from Kansas—Robert F. Ellsworth, Garner E. Shriver; from Maryland—Charles McC. Mathias Jr.; from Massachusetts—Silvio O. Conte, F. Bradford Morse; from Michigan—William S. Broomfield; from Minnesota—Clark MacGregor; from New Jersey—William T. Cahill, Florence P. Dwyer, Peter H. B. Frelinghuysen; from New York—Barber B. Conable Jr., Seymour Halpern, Frank Horton, Theodore R. Kupferman, Ogden R. Reid, Howard W. Robison, Henry P. Smith III, John W. Wydler; from North Dakota—Mark Andrews; from Pennsylvania—Robert J. Corbett, John C. Kunkel, Joseph M. McDade.

If there is an undeniable lesson from the history of Vietnam, it is that the same thing can happen in any country where the population is susceptible to organization in the pursuit of more progress than the Government is providing—where Communist promises have appeal because rising expectations have been inadequately fulfilled. . . .

. . . Development which does not reach the people is not progress in human terms, and thus cannot significantly better the community. A grandiose economic infrastructure of transportation networks and physical plants and port facilities and industrial capacity is not by itself evidence of human progress or worthwhile development.

For progress, the economic infrastructure must be an integral part of the community. It must provide direct benefits to the people; it must be compatible with the political, cultural, and social behavior of the people; it must be intermeshed with the people of the community it is designed to serve.

In short, an economic infrastructure cannot provide meaningful human progress unless it springs from a vibrant human infrastructure. The task of development might best be expressed not in sterile economic terms, but in terms of people—their awareness of the possible, their education and skills, their determination and participation—the impetus they provide and the satisfaction they receive.

. . . Our recommendations reflect, as well, another lesson of the foreign aid adventure. It is that nonviolent progress in many of the developing countries is impeded by the inability of their governments to administer and accomodate change. In a few cases, governments may not desire change—and in those cases foreign aid makes no sense. . . .

U.S. foreign aid must place new emphasis on building the capacity of governments to administer development. Unless we do so, most foreign aid funds will be wasted—and worse, the revolution of rising expectations, inflamed by Communist promises, will turn violent.

We will support a constructive program of foreign aid. We believe that our recommendations will contribute to such a program.

Our support is far from indiscriminate, however. While aid should not depend upon the utterly predictable foreign policy support of its recipient, aid should not be extended to those who make anti-Americanism a hallmark of their policy. While we should not insist upon carbon copies of Western political institutions, aid which diminishes or tends to discourage popular par-

ticipation in government is not justified. . . . The U.S. foreign aid administration must be able to give meaningful evidence that its programs justify the expenditures.

The program outlined by the following recommendations will not require an increase in public foreign aid funds. It will require an increasingly determined effort to make the most productive use of the current level of funds requested—and it will require an expanded involvement of private U.S. institutions in the foreign aid program.

1. The administration should issue a firm declaration of the purposes of its foreign aid program. . . . Aid for the purposes of temporary political expediency is unwise.

2. Just as the United States should not hesitate to declare openly the precise objectives of its aid program, neither should it hesitate to identify U.S. aid with a U.S. label. . . . The bond between peoples, one sincere in its desire to help and the other appreciative for the help received, can be a vital source of international stability over coming generations.

3. The U.S. foreign aid program should place new emphasis on the need for the growth of popular participation in the programs of the developing countries and the increased capacity of recipient governments to perform effectively . . .

4. AID might appropriately consider, on a case-by-case basis, the transfer of specific industrial and economic development projects to multilateral management by the World Bank, the International Development Association or the Inter-American Development Bank when such a transfer is feasible. . . .

5. All of the recommendations of the Watson Advisory Committee on Private Enterprise in Foreign Aid should be given careful attention by the Congress in order to increase private U.S. foreign investment in the developing countries. . . .

6. A new position of Deputy Administrator of A.I.D. should be created for the sole purpose of encouraging greater U.S. private investment in the developing countries.

7. In accordance with the recommendations of the National Citizens' Commission to the White House Conference on International Cooperation, "a permanent International Private Investment Development Board [should] be established . . ."

8. The United States should encourage a program of selectivity and emphasis for development assistance among the developed allies. The United States, for its part, should be selective in the number of countries in which it has an aid involvement . . . The United States has a special responsibility for development in Latin America . . . A greater concentration of effort and funds can better achieve the purposes of foreign aid.

9. New emphasis on foreign aid in Latin America requires efforts to restore the flagging enthusiasm of the Alliance for Progress. . . . Public relations is not a substitute for accomplishment.

10. The Agency for International Development should restructure its thinking to give new attention and emphasis to the need for effective governmental administration and greater popular participation . . . Such an emphasis will require a new effort to enlist the support of the private voluntary associations in the United States, and particular attention to the following seven recommendations.

11. . . .U.S. foreign aid should be made contingent upon a defined set of basic criteria which conduce toward political growth. . . .

12. Similarly expanded AID emphasis is required . . . in programs of education in administrative skills and in the theoretical and practical elements of political science. In particular AID support should be given to the establishment of training institutes for teachers at the secondary and primary levels . . . Such efforts should concentrate in the teaching of political skills . . .

13. The United States should promote the establishment of a Latin American Civil Service Academy . . .

14. New emphasis on the administration of and popular participation in development will require expanded AID attention to programs for community development, including health facilities, housing, schools, libraries, transportation, communications, sewage disposal facilities, and savings institutions. These programs in turn depend upon and encourage the growth of active political participation by the people in democratically organized popular efforts.

15. This emphasis . . . also requires increased concentration on facilitating the means of communications by which the government . . . can reach and engage the people, the people can make their desires known to the government . . .

16. U.S. food and agricultural technology can be and should be used as positive instruments for development and peace. . . . The United States must couple its food aid with programs to expand agricultural productivity and technical skills. . . . Local currencies received in exchange for food should be used toward this end.

17 . . . AID must undertake and sponsor broad programs of research to develop the tools and methods necessary to create the human infrastructure . . . which will encourage and accomodate orderly growth.

18. The U.S. Government . . . should make a broad effort to engage the private voluntary associations of the U.S. . . . so as to encourage the growth of participation by the people of the developing countries in their own development plans. The following nine recommendations are particularly relevant.

19. In addition to a broader program of financial investment in the developing countries, the American business community should be encouraged to establish and participate in its own training programs . . . to teach technical and administrative skills.

20. In support of national foreign aid policy, the business community should be asked to lend, at its own cost, junior executive talent to AID on a rotating 1-year basis.

21. The U.S. labor unions should be asked to continue their efforts to help organize the labor force of the developing countries in democratically based unions, and should permit a greater decentralization of their efforts so that local unions can cooperate in local people-to-people projects.

22. The major farm and agricultural worker organizations in the United States should be encouraged to increase their activities . . . to the developing countries.

23. Through AID and private foundation contracts, American colleges and universities should be asked to increase their efforts in support of American foreign aid . . . particularly with new emphasis on . . . political science, public administration and business management.

24. . . . Private foundations . . . should be promoted in order to assist in facilitating the more competent administration of national development programs and the growth of popular participation . . .

25. With AID encouragement and financial assistance if necessary, other U.S. voluntary associations . . . should be encouraged to undertake their own programs to establish ties with counterpart groups in the developing countries . . .

26. The Republican and Democratic parties, acting in concert, should undertake a carefully devised but vigorous program of support for development in Latin America, including greater contact between United States and Latin politicians, help in the establishment of legislative reference services . . . and establishment of a Latin American Institute for Democratic Development . . .

27. . . . State governments should seek to establish their own programs for popular participation in development with individual countries in Latin America. . . .

32. . . . AID should establish an official Government clearinghouse and coordination center for the private aid program.

29. The Congress should establish a special staff unit of expert technicians to provide continual field evaluation of foreign aid. . . .

30. The appropriations for military assistance and other foreign aid assistance should be kept separate . . .

31. Foreign military aid in the form of hardware should, whenever possible, be extended only to regional defense organizations.

32. The administration should make renewed efforts to find new uses for U.S.-owned foreign currency funds available for aid programs in the developing countries. . . .

A NEW APPROACH TO FOREIGN AID

From remarks by Congressman GILBERT GUDE *of Maryland, printed in the Congressional Record of 19 April 1967.*

More than twenty years have passed since America first became aware that our tremendous resources could help the less developed nations lift the burden of poverty. . . .

. . . Yet support of our foreign aid program has grown increasingly grudging, and honest intelligent criticism of the whole idea of foreign aid is not uncommon. Perhaps we have held unrealistic expectations over what a one percent foreign aid increment to a nation's gross national product can accomplish. But more important is our failure to recognize that the crucial bottlenecks to the development of a traditional society are most frequently political and institutional. Whether the developing countries can meet the staggering problems of hunger, disease and ignorance will to a large extent depend on the success or failure of their political systems.

. . . One expert has pointed out that Title IX is "a directive to the U.S. to retool its [foreign aid] philosophy, not a mandate to remake the political systems of other countries." We have learned that our democratic institutions cannot be transplanted intact to soils and climes different from our own. In this hemisphere constitutions much like ours have been repeatedly violated.

. . . Most American aid is still channeled through national government ministries of economics. Before it gets to the village level, it has to pass through the far too fine mesh of bureaucracy, inefficiency, and not infrequently, corruption. Direct aid to the village level through American private and voluntary organizations has been secondary in terms of total U.S. capital outlay, despite considerable evidence that these projects are often the most successful part of the American AID effort. **The intent of Title IX is nothing less than to reverse our priorities.**

. . . Political scientists have not yet formulated an exact definition of political development, but they generally agree that the process includes the following:

1. A broadening of the political base. . . .
2. The amplification of the decision making process. . . .
3. The growth of intermediate institutions. . . .
4. The formation of some sort of national consensus. . . .
5. Mechanisms to preserve the responsiveness and flexibility of the governing consensus. . . .

• • •

I would like to make two final proposals which I believe have not been mentioned as often as the others.

The first is that we think seriously about channeling a large portion of our foreign assistance through the local and municipal governments of other countries. Extreme centralization produces top heavy and unstable political systems in most of the developing world. It increases the gap between government and governed. . . .

My other suggestion is that U.S. and perhaps European foundations could sponsor regional seminars on the problems of political development. . . .

. . . Both the gap within and the gap between societies must be filled. American organizational experience and genius in the private and independent sectors can make an enormous contribution to this compelling necessity of our era.

PART II

THE A.I.D. RESPONSE

A.I.D. PROGRESS TOWARD TITLE IX OBJECTIVES

Statement of WILLIAM S. GAUD, *Administrator of A.I.D., before the House Foreign Affairs Committee, March 20, 1968. Several paragraphs repeating information provided in other sections are omitted.*

Mr. Chairman, I am here today to discuss the basic point of A.I.D.'s programs—people.

Over the years, our foreign aid programs have brought substantial benefits to people in the less developed world. Our programs in agriculture and PL 480 food shipments have given millions more to eat. Health programs have helped cut back the toll of disease. Our programs in education have helped people learn how to read and write. A.I.D. support for economic development has made possible a higher standard of living for millions of people.

These results are important, but they are not the main point. We expect our aid programs to do a lot more than just benefit individuals. If they are to accomplish their ultimate objective, they must also build people's desire and ability to do things for themselves, and involve them in the development process.

It is this which distinguishes the A.I.D. program from charity, and it is this which we must constantly keep in mind as we design and carry out our programs.

As we see it, this objective cannot be accomplished without (1) changing individual motivation and attitudes, and developing leadership dedicated to progress; (2) building indigenous institutions which will involve increasing numbers of people in the development process; (3) encouraging government policies and attitudes favorable to popular participation and the growth of democratic institutions.

These three elements must be addressed in a specific country context. Our programs must be tailored to the particular needs, problems and opportunities of a specific country at a specific time.

Individual Skills, Participation, Leadership—A.I.D. participant training programs have brought over 64,000 trainees to the United States from some 70 different countries since 1958. Skills training in a variety of fields—in agriculture, education, industry and mining, health and sanitation, public administration, transportation and communications, labor affairs, community development—con-

stitutes the major element of these programs. But we are also concerned with the civic education aspects of such training and the benefits that derive from living for a time in the United States.

Korea is a good example. The 2,700 participants trained in the United States since 1954 have contributed substantially to the large cadre of problem-solving middle-echelon government officials who are giving Koreans a new image of the government. Today Korea is making strides toward dispersion of power and responsibility throughout Korean society, toward the development of a strong private sector, and toward the delegation of central government responsibilities to local government units.

Leadership ability, a commitment to progress and recognition of the values of a free society are just as important for participants to learn as technical skills.

Seminars and field trips for participants enable them to observe American local organizations and visit with ordinary American citizens. One such program, the Mid-Winter Leadership Seminars, provided 39 different seminars last year in 36 different cities for somewhat over 1,400 participants.

Over 500 young Central Americans have attended a series of civic education and leadership training seminars conducted by Loyola University in New Orleans. This training program focuses on ways these young leaders can promote popular participation in rural and urban community development activities.

Under the Francophone African Cooperative Training Program some 49 farm cooperative officials from nine French-speaking African nations have received practical training in the United States in how to increase farmer participation in cooperative activities.

A.I.D. assistance to host country training programs helps less developed countries build self-reliance, community consciousness and leadership qualities among peoples living in rural areas. . . .

Farmers Training Centers and Institutes in Africa . . . reach small holding farmers. In Kenya and Uganda, over 40,000 farmers and youth leaders attended training programs of up to one week each in 1966 at 24 different training centers on ways to improve farm practices.

The Rural Leadership Training Institute of the Rafael Landivar University in Guatemala City . . . has trained nearly 250 peasant leaders since the program began in early 1967. The program teaches new skills with which to activate community development projects. They return, not to official positions, but to school rooms and farms to create a new civic consciousness among the people of their village.

One comprehensive effort to link up training with local institutional development is taking place in Thailand. Here, where the governmental structure is highly centralized and focused on the capital, a principal U. S. objective is the improvement of the government's responsiveness to local needs, particularly in rural areas. We have been providing technical assistance and commodity funding for a district officer training program and the Government's rural Community Development program.

As a part of a Thai Local Government Improvement project, A.I.D. helped establish the Nai Amphor Academy which has trained some 120 district officers since 1963 in a nine-month program. The Academy not only seeks to improve the technical and administrative skills of trainees, but emphasizes the development of democratic attitudes and a belief in the importance of the government responding to local demands.

In another program, U. S. specialists are training Thai technicians to organize these village leaders and give them field support. Over 820 government workers received this training in FY 1967 alone. Since the rural community development program began in 1962, 22,000 villagers, representing over 4,000 villages, have received training.

Building Institutions—Rapid economic development requires a network of strong, independent private institutions. In earlier testimony before this Committee, I detailed how A.I.D. mobilizes the whole range of American private institutions—education, business and professions, labor, cooperatives—in carrying out our technical assistance program. We also provide support for the efforts of American private organizations which work with private institutions in the less developed countries.

Direct A.I.D. assistance and our investment incentive programs help build the role of private enterprise in the developing countries. The economic payoff from this spread of private institution-building is important. Of no less importance is the fact that these institutions are increasing individual participation in the development process. They are articulating and representing new, modern interests and attitudes. They are building new links of communication between citizens and government and making clear the benefits to be derived from cooperative individual efforts.

For the most part, this institution-building has not been the result of an explicit effort at social and political development. But as these institutions take hold and grow, they further social and political—as well as economic—development. And increasingly, we in A.I.D. are taking these broader objectives into account in

making decisions about the direction and scope of institution-building activities.

Emphasis on local leadership, local self-help and citizen-government cooperation are basic elements of A.I.D. activities in the area of rural development.

For example, in Pakistan, PL 480 generated local currency administered by A.I.D. is providing the resources necessary to achieve a dramatic institutional transformation in rural areas. Under the Rural Works Program grants are offered to local groups for the construction of market roads, drainage ditches, storage facilities, schools and other purposes. Built-in self-help criteria ensure local leadership and maximum participation on the part of rural peoples in the planning and implementation of these projects. The results are impressive. Institutionally, the program has led to the formation of 18 development committees at the district level, 411 committees at the county level, and 3,519 at the village level. Village labor and other contributions account for over one-third of the program costs, and many villagers now finance further improvements totally from locally-generated revenues. Between 1964 and 1965 over 40,000 projects were undertaken with an average of five persons serving on each project committee. That leads to a large number of people providing leadership and engaging in the planning and monitoring of these projects.

In the Philippines, rural development is being speeded through an integrated program called SPREAD—Systematic Program for Rural Economic Assistance and Development. The word "systematic" indicates the underlying concept of the program: a comprehensive approach to the improvement of rural life. Project SPREAD, as it has merged with the Rice and Corn Productivity Program, combines private enterprise (rural banks and ESSO), government agencies, municipal councils, rice seed and technology for increased productivity opportunities for the individual farmer to develop responsibility and initiative, and credit supervision.

One specific target has been to assist selected provincial and local institutions to improve development planning and provision of services. U.S. Government-rehabilitated excess equipment has helped provincial governments carry out irrigation and road building projects; provincial governments have also received assistance in tax administration.

With the help of the A.I.D.-assisted Agricultural Guarantee and Loan Fund, 89 rural banks in 12 provinces provide badly needed credit to farmers. Municipal development councils were created in two provinces incorporating leadership elements from both the

public and private sectors. These councils have already carried out successful projects and plan to undertake new ventures in the future. Swine and poultry cooperatives have been organized in each of the 12 pilot provinces.

Improved Government Policies & Activities—With the support and encouragement of A.I.D. assistance, increasing numbers of recipient countries are improving government policies with respect to broader individual participation in the development process. A.I.D. technical assistance is helping recipients build practical, cooperative relationships between government and citizens. We help recipients (1) improve the framework of local laws and regulations to encourage local private investment; (2) design sound programs of agrarian reform; (3) improve tax structure and collection to build a more equitable revenue base for development investment.

A.I.D. makes sector loans in fields such as agriculture and education which encourage reform and support comprehensive development efforts in these fields. For example, in Chile, an A.I.D. agricultural sector loan will support changed government policies in agriculture including price incentives for farmers, accelerated agrarian reform, and reorganization of government agricultural institutions to better serve producer needs.

Educational sector loans in Chile and Brazil and in other countries help encourage and finance basic turn-arounds to recipient countries' educational systems. These often include increased emphasis on secondary education, introduction of modern curricula, and use of newer educational techniques which can reach people faster with more practically oriented education.

A.I.D. program loans in India and Pakistan have encouraged and supported import liberalization policies which make it possible for small and medium-sized entrepreneurs to increase production and expand capacity. This means faster economic growth. It also means that the attitudes of private enterprise toward investment expansion and modernization have changed, that the stake of businessmen in development progress is enlarged and that traditional business methods and state control are replaced with reliance on free market forces.

A number of A.I.D. activities address the need for decentralization of governmental authority. Let me mention two. In the Dominican Republic, where there is no tradition of strong self-

reliant local government, a principal A.I.D. objective has become the encouragement of municipal governments to assume greater responsibilities for the provision of public services and the administration of revenues. To this end, we are providing technical assistance, and project grants and commodity support to the Dominican Municipal League, a semi-autonomous government agency which works with 98 municipalities. Through this program we are improving the administrative capabilities of local officials and League employees. We have also helped establish a revolving loan fund enabling municipalities to undertake a variety of specific development projects.

The A.I.D. program in Costa Rica encourages the development of local and intermediate institutions which reinforce one another and help to advance the complex process of social, economic and political development. In this context, A.I.D. is supporting the "Nicoya Peninsula Association"—an intermunicipal association. It is assuming increased responsibilities in development plans and since 1966 has initiated 40 rural self-help projects in which the local communities have carried 60 percent of the cost.

Putting Title IX to Work—Title IX is an important stimulus to our efforts to get more people involved in the development process. It is moving us from reliance on instinct and experience to more explicit consideration of the problems and opportunities we have to deal with.

In our view, the objectives of Title IX must be at the core of our development assistance. We have not tried to design a specific package of projects labeled Title IX. Instead we are trying to build Title IX objectives into the design and implementation process of the A.I.D. program. We want Title IX considerations to be weighed when we decide on the overall composition of a country program, when we prescribe the negotiating instructions for a program or an agriculture sector loan, when we decide on a particular capital assistance project, when we undertake and evaluate technical assistance activities, when we support the development efforts of private institutions.

REPORT TO THE CONGRESS ON IMPLEMENTATION OF TITLE IX, 1967

From an A.I.D. report submitted through the House Committee on Foreign Affairs, 10 May 1967, only seven months after the passage of Title IX.

Introduction: The New Dimension—During the seven months since the passage of Title IX, A.I.D. has sought to develop a policy framework within which this provision could be implemented. This effort, in Washington and the field, revealed that Title IX has policy implications, and points to opportunities, which go beyond previous A.I.D. activities and traditional economic development considerations. Title IX requires A.I.D. not only to consider new types of activities, but to view the developmental process in different and much broader terms than before: it will not do simply to relabel and multiply on-going A.I.D. activities consistent with Title IX's objectives. . . . Title IX involves A.I.D. in a new approach toward development.

It is nevertheless evident that over the years the Agency has engaged in a wide variety of activities which have usefully contributed to the objectives of Title IX. A.I.D., therefore, will be able to draw upon some of its experience in developing an effective response to this title. . . .

Whereas our activities since 1961 have been directed largely to quantitative LDC growth targets, Title IX focuses on the less quantifiable institution-building characteristics of the modernization process. Its purposes is to involve an increasing number of people in the development process, which means we have to find new and imaginative ways of eroding the essentially "enclave" nature of these societies, not only in the economic, but also in the social and political spheres. . . .

As much as 80 percent of the population in many LDC's does not truly participate in its country's social, political and economic progress. This constitutes a vast waste of human manpower, entrepreneurial talent, innovative thought, and creative productivity. Simply by adding our resources to the LDC's, the United States can have only a marginal impact on their growth potential. But, in cooperation with host governments, it can effectively catalyze increasing participation of the populace in solving their own problems . . . In short, Title IX . . . calls for giving greater attention to the building of viable public and private institutions which can channel the vast creative energies of the people into constructive developmental endeavors.

The Policy Framework—Our work to date suggests that Title IX cannot be implemented within the framework of a "grand strategy" of democratic development, applicable in all parts of the world. Rather, it requires a more selective, discriminating and flexible approach. Aid-recipient countries should be helped to identify their own problems of development and assisted in building viable institutions in accordance with their own traditions and self-identified needs. A global formula which seeks to export American-style democratic institutions would not be appropriate or useful. Nor should we attempt to manufacture unique institutional solutions to host-country problems, and simply expect them to take root upon our insistence.

We have concluded that Title IX should be implemented on a country-by-country basis, in open cooperation with host governments. A.I.D. will be guided by several principles—for example, the conviction that a government responsive to the expressed needs of its people is the best kind of government and that a considerable degree of governmental decentralization is frequently required for this to occur. We believe that economic growth and a steady evolution toward social justice are in large part dependent upon the opportunity afforded the citizenry to participate freely in the economic, cultural and political life of their country. . . .

In more operational terms, the policy framework will reflect three themes:

1. A pragmatic approach will be pursued which responds to the differing needs and capacities of aid-recipient countries with a wide variety of activities and programs. . . . Whatever is done in the way of project activity will be related to these differing conditions.

2. A cooperative effort between A.I.D. and host countries will be attempted in order to identify the most appropriate means to solve individual country development problems. . . .

3. More comprehensively than before, A.I.D. will view development as a multi-faceted process, involving interconnected social, economic, and political factors. These must all be systematically taken into account in our programming strategies. . . . For this reason, no single aspect of the development process and no single sector of a country's institutional fabric will necessarily be singled out for separate program emphasis. We intend, rather, to respond as appropriate and feasible to host-country needs as they are carefully identified within a broadly-conceived analytical framework. . . . We will encourage our LDC partners to pay increased attention to the private sector, and to enable the broad population to become actively engaged in developmental ven-

tures. Further attention will therefore be given to utilizing private channels for the provision of American assistance, and to developing non-governmental counterpart institutions and groups in host countries for development purposes.

Initial Steps Taken by the Agency—As a first step in developing a program response to Title IX a major policy message was sent to all field missions in November 1966. This message directed the attention of missions to three needs:

1. The need for more systematic identification of opportunities to help host countries strengthen their governmental and political frameworks in order to accelerate economic and social progress;

2. The need for greater attention to the impact of our assistance programs as a whole on progress toward administrative competence, national integration, and the development of legal and democratic institutions at all levels of the society; and,

3. The need for more imaginative consideration of specific ways to strengthen and animate a wide variety of public and private institutions of authority and power, particularly at the local level, and to increase popular participation in significant development activities.

The message also requested twenty-two selected missions to make a thorough analysis of these needs within the context of their country situations and program strategies, and to suggest specific ways in which Title IX might be implemented in their country.

Paralleling this field effort, the four regional bureaus in AID/Washington took an inventory of all on-going activities which appeared to contribute to the objectives of Title IX. Complementing this effort, the Office of Program Coordination, responsible for the initiation and coordination of the Agency's response to Title IX, began a dialogue with all offices in AID/Washington and with other governmental agencies and private individuals and groups in order to identify and draw upon existing expertise and experience in this area.

These efforts have:

1. Tenatively identified a number of countries where systematic program action in support of Title IX appears particularly appropriate. . . .

2. Identified a broad range of particular activities . . . in which the Agency has built up a reservoir of experience upon which it can draw in designing future project activity in support of Title IX;

3. Identified a broad range of development problems which, for a variety of reasons, the Agency has seldom before systematically tackled, but which . . . are amenable to specific program action in the foreseeable future. These would include the modernization of local governmental units, the development of legal institutions and the improvement of means of communications between the grass-roots level of society and the central government.

These efforts pointed up **four important findings** which require attention at an early date:

1. The quality of personnel required to be effective in addressing the problems to which Title IX directs our attention is unusually high. A.I.D.'s past emphases have led to heavy reliance upon personnel with experience and expertise in the economic, technical and quantitative aspects and measures of development and modernization. The need to focus on popular participation, democratic institution-building and social modernization, which only partially overlap with the more traditional approaches to development, calls for a widening of A.I.D.'s existing and analytical capabilities. . . .

2. Title IX cannot be effectively implemented on an ad-hoc, project-oriented basis. Although in particular countries certain new projects undoubtedly will be undertaken, these must systematically reinforce and give a broader dimension to current activities. This approach will require the development of more broadly based assistance strategies . . . This in turn will require a substantial research effort. . . .

3. Action in support of this new provision should not be the sole responsibility of A.I.D. The policy implications of Title IX concern the entire U.S. foreign policy community as well as many private and voluntary agencies working abroad. A number of activities in which A.I.D. might become engaged can be performed more effectively by non-governmental agencies. . . . A.I.D. expects to play a leading role in establishing methods of liaison among these various groups and agencies.

4. A most difficult task is the development of meaningful criteria by which to judge our success in implementing this provision. Our analytical efforts to date . . . have indicated that such criteria must be devised within the following framework:

(a) Criteria must be developed on a *country-by-country basis.* No general theory of modernization in the broad developmental terms of Title IX exists. . . . We intend to develop evaluative criteria based upon our growing understanding of patterns of institutional change . . .

(b) *Qualitative considerations* must be foremost in the development of such criteria. . . . No less important than the number of people participating in a given activity is the manner and form of their participation. . . .

(c) The development of criteria should reflect the fact that institutional, social and attitudinal changes require a *longer time-perspective* than we are often accustomed to use. . . . The developing countries, the Congress and A.I.D. must all extend the time framework within which they view the problems of development and the proper role of foreign assistance.

[*There follows a description of Additional Agency Actions, most of which are noted in other parts of this publication. They include the establishment of an on-going Intra-Agency Committee on Title IX, of a Title IX Office, of a cadre of special consultants on Title IX concerns; they also included in-house training and seminar activities and Title IX research activity. The report continues:*]

One major evaluative effort under way concerns the transferability of the mechanism of the Joint Commission on Rural Reconstruction (JCRR) in Taiwan. Chapter 7 of the Foreign Assistance Act of 1966 encourages the further application, where appropriate, of the successful experience of A.I.D. and its predecessor agencies in supporting this joint commission approach to rural development.

Viewed through our experience with the JCRR, Chapter 7 suggests an approach to the administration of aid to the rural sector which closely relates to the objectives of Title IX. For this reason, several months ago A.I.D. launched an exploratory, action-oriented study of the alternatives and problems which would be involved in adapting JCRR . . . to other aid-recipient countries. . . .

In working with the developing countries, especially in the Title IX area, the Agency will reflect its belief in the need for a mutually-endorsed, self-help approach. Our activities will reflect the belief that these countries are, in the last analysis, responsible for determining what sort of development they want, how it should occur, and the extent and nature of U.S. and other foreign assistance. As the Foreign Assistance Act states, A.I.D.'s continuing role will be that of a partner, aiding the peoples of less developed friendly nations "to realize their aspirations for justice, education, dignity, and respect as individual human beings, and to establish responsible governments."

RECOMMENDATIONS OF THE M.I.T. CONFERENCE ON TITLE IX, 1968

In the summer of 1968, AID sponsored a six-week conference on the implementation of Title IX, under the chairmanship of the late professor Max Millikan, Director of M.I.T.'s Center for International Studies. The final report of the conference, in which more than thirty prominent American scholars and senior AID and State Department officials participated, has since been published under the title of "The Role of Popular Participation in Development." Below is an abreviated version of the summary conclusions and recommendations of the conference, as presented to AID at the terminal session of the conference.

1. The conference has concluded that Title IX should be a major focus of the entire A.I.D. program, and an important objective of American foreign policy. While it has been on the books for two years and has gained increasing attention, the Agency has not yet made it a central pillar of aid policy as, after due consideration, we believe it must be; nor has it been supported adequately by the rest of the foreign affairs community.

2. Title IX can represent a significant new thrust of the U.S. Government in response to Congressional concern and to fundamental changes in the world environment. It can represent an innovation symbolizing a new stage of American policy. . .

3. We have concluded that the central objective of Title IX should be to promote popular participation. We interpret this to refer to a number of interrelated activities--increased participation in the whole range of social decisions, in the implementation of development, in the benefits of economic progress, as well as increased participation in political decision-making.

5. Participation requires the development of a variety of institutions at all social and political levels in order to make participation effective and to avoid its being disruptive of orderly political and economic development. Institutional development must emphasize the twin purposes of such institutions:

a. To help promote participation and the ability of citizens to articulate their demands effectively; and

b. To improve governmental capabilities for responding to demands generated by participation.

6. Regardless of how U.S. foreign assistance operations are organized, Title IX requires basic changes from present approaches.

a. Foreign assistance strategy, and therefore resource allocations, should focus on countries, and programs within countries, where U.S. resources are likely to make a significant contribution both to Title IX objectives and economic growth.

b. Title IX changes the standards for the termination or continuation of aid. Assistance to some countries will still be called for where Title IX objectives remain important and U.S. assistance is required, even though they may have achieved "self-sustaining" growth. Alternatively, assistance may be terminated where Title IX criteria cannot be met, even before "self-sustaining" growth is achieved.

c. To make it possible for the Agency to alter its strategies, priorities, and resource allocations, a major effort, akin to the 1961-62 push on economic development, needs to be undertaken with respect to inhouse training, research and the development of doctrine which stresses popular participation as a central objective of A.I.D. policy.

d. The total approach to the implementation of Title IX requires that, where the U.S. is assisting a country for reasons not related to Title IX, Title IX objectives ought to be infused, wherever possible, into program design and project selection. . .

8. . . . Promoting Title IX objectives requires strategies and techniques of implementation tailor-made for each country situation.

9. The U.S. should not be overly sensitive to the possibility that Title IX might disturb effective relations with host governments, or give rise to misunderstandings with certain LDC's. It is true that in certain countries, sensitivities to U.S. involvement in their socio-political development will be such that A.I.D. must proceed with care and discrimination if it is to promote Title IX objectives at all. Yet, with many LDC's, actual implementation of Title IX will improve the foreign policy image of the U.S. and improve the climate in which A.I.D. operates.

10. Foreign aid programming must include new analytical dimensions if aid instruments are to contribute effectively to Title IX objectives. There is no chosen instrument for Title IX. All aid activities have a potential contribution to its purposes.

a. It is not enough to design a few token Title IX projects if the balance of U.S. activity weighs heavily against the development of popular participation and the increase of government responsiveness.

b. Support to development administration programs in agriculture, public health, education, industry, public works, etc., should devote more attention to the relationships between government and citizens rather than concentrating on efficiency and technical sophistication.

c. Indiscriminate support to various decentralization schemes may destroy local government capabilities by overloading their capacity to make decisions, to carry out programs, and to respond to their own constituencies. The U.S. must consider not only the interrelationships between the center and field units, but also the viability of local units and their capacity to take on new functions.

d. Prolonged support focused upon selected sectors in a society, such as the bureaucracy and the military, may create imbalances and insulate them from popular influence.

e. Fresh analysis is required of the ways in which economic policy and planning processes affect the goals of participation and institutionalization.

f. Programs for promoting local participation such as community development, cooperatives, and credit unions, have to be assessed in terms of: (a) whether they provide access to the political and administrative hierarchies of the countries, and (b) whether they provide meaningful participation in development opportunities - rather than a diversion of popular attention from major national issues and effective development efforts.

g. Locally organized participation in urban areas requires much more emphasis. . .

11. The special complexities of Title IX and the problems of implementing it requires the use of all available instruments, including other agencies of government (notably State, Peace Corps, USIA and DOD) and both U.S. and host country non-governmental organizations. . .

12. It would be a serious error if U.S. development programs with significant Title IX implications were all turned over to multilateral international organizations. . .

13. The achievement of Title IX objectives requires both a central programming focus for policy and the coordination and systematic use of diverse assistance instruments for development. . .

14. Title IX requires substantial changes in organization, research orientation and personnel administration. These changes are dependent upon efforts to alter the perceptions, attitudes and valves of individual A.I.D. officials.

15. To achieve Title IX objectives A.I.D. must improve its understanding of the processes of social change, institutional development and of interaction between the forces of economic growth and political

modernization. This dictates a sizeable research effort, involving in–house, external and host country resources. . .

16. Agency recruitment and training practices should be altered and strengthened to attract, develop and hold officers with the combination of skills and attitudes needed to achieve the purpose of Title IX.

In–service programs to inform senior officials throughout the Agency regarding the implications of Title IX should be augmented. A posture of positive involvement and commitment to the Title IX approach on the part of the executive leadership is regarded as the best way to bring about the substantial shift in internal priorities considered appropriate to get the job done.

17. Successful execution of Title IX requires full participation and support from State. . .

A.I.D.'S RESPONSE TO TITLE IX

The most comprehensive recent description of AID's response to Title IX is to be found in the March 1970 issue of the ***Foreign Service Journal,*** *which contains a number of articles on the social and political aspects of development. In one of these articles, Princeton Lyman, Chief of AID's Title IX Division, discusses the Agency's response since the above-mentioned M.I.T. Conference.*

Subsequent to the Conference, AID . . . pinpointed five main areas of concentration for carrying forward the purposes of Title IX.

The first and foremost objective is to systematize within AID the analysis of the non-economic objectives and ramifications of economic change, and of the aid program, and to account for these effectively in our planning and programming process. . .

Second, in establishing new criteria and objectives in this area, we will focus not only on promoting development opportunities to broaden the avenue of both economic and political participation, but on helping develop within host countries both the institutions and the indigenous intellectual capability for analyzing the political and social results of development. In other words, it is our objective to help developing countries focus on how to harmonize, in terms of their own culture, their economic development objectives and programs with reasonably democratic political and social institutional development. The word "democratic" is interpreted broadly here without meaning a direct replica of institutions with which we are familiar in the United States. But at the same time we must face the fact that we do have both value and policy preferences in the direction of democratic development of societies. . .

Third, in specific program terms, we aim to place the greatest stress in AID's carrying out Title IX on the economic and social development process and our instruments for this purpose. This approach corresponds to AID's basic rationale and to its technical structure. We wish, in other words, to emphasize means by which economic development strategy and instruments can be used to maximize the opportunities for increased participation. We are particularly concerned with ways in which the private sector – in the very broadest sense of that term, to cover all segments of the population – can be stimulated and invigorated in order both to accelerate the economic development process and to provide vitality and long–run stability to the political process.

Fourth, we plan to explore the advisability for new assistance in areas somewhat more distant from the purely economic, such as to the legislative process, development of social science research institutes, the role of law, and even the role of political parties. . .

Finally, but anything but last in our priorities, AID plans to carry out much new research into the relationships between economic, social and political factors of development. Several projects have recently been initiated looking both at overall relationships between changes in these factors over the past decade in a large number of developing countries and at specialized aspects of this relationship in particular country situations. This research is necessary to enable all of the above to be done with increasing sophistication and intelligence. . .

AID'S RESPONSE TO TITLE IX THROUGH TRAINING

AID has responded to the Congressional injunction to develop programs of in-service training, and to similar M.I.T. Conference recommendations, with a variety of training programs for AID and host country personnel.

Regional Seminars

During FY 69 a series of Executive Seminars directed by the Brookings Institute were held to acquaint senior AID/Washington and field mission personnel with the legislative intent and theoretical concepts of Title IX.

During FY 70 emphasis was placed on ways of increasing and implementing popular participation in specific foreign assistance program areas e.g., Rural Development, Education, Population, Local Government and Cooperatives and Credit Unions. Seminar participation was broadened to include host country representatives.

The first overseas seminar in this series was held in Ecuador on the topic of stimulating increasing development participation by the marginal farmer or rural worker. The seminar was designed to achieve:

1. An exchange of country program information;
2. Identification of new ideas and directions for implementing programs for the marginal farmer;
3. Providing increased and open communication and dialogue between the Latin Americans and North Americans in this area.

A second overseas seminar was held in Paraguay during FY 70 on the role of cooperatives and credit unions in the development process and emphasized strategies for implementing and accomplishing change through these mechanisms.

These seminars have been experimental in nature and have provided an opportunity for mission and host country evaluation of the training techniques used to obtain a better picture of the extent to which different groups in society have opportunities to participate in the development process, greater recognition of the necessity for change, and increased understanding of the process of social change, institutional development and the interaction between the forces of economic growth and political modernization.

Long Term Training

A.I.D. has contracted with the Fletcher School of Law and Diplomacy, Tufts University, to design a special program to prepare officers to more

effectively incorporate Title IX concepts and objectives into the country program design and implementation process.

During the academic year 1968-69 and 1969-70, eight A.I.D. officers and one State Department officer participated in the program which includes a full academic year of cross-disciplinary course work in the normal Fletcher School curriculum (such as Development Assistance and Economic Growth, and Institutional and Policy Aspects of Development Assistance), together with special instructional subjects designed for the particular needs of the program (such as Integrated Economic/Political Analysis of Title IX, Scope of Title IX, and Operational aspects of Title IX). Six A.I.D. middle-level officers will participate in the 1970-71 program which will include study in sociology and behavorial science.

Seminars for Mid-Career Officers

Discussion of the Title IX concept is included in the Agency's four week seminars for mid-career officers held at the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University. Approximately 160 mid-career officers have attended these seminars and another 125 are expected to participate in the remaining 5 seminars under the current contract through FY 71.

Project American Development

The objectives of this training is to provide AID staff, overseas, foreign nationals and Washington, with the opportunity to study and analyze the development programs (urban and rural) in the U.S.

Stress is placed on the necessity of popular involvement in social, political and economic development—the basis of Title IX. Participants have an opportunity to observe first hand the creative and innovative techniques being used in community action programs, education, health and food projects related to the anti-poverty program; which will be useful in overseas program planning in developing countries; the value of organizing a large cross-section of people in order to gain support for orderly change and development in urban as well as rural societies; and the need for participation as a requirement for gaining acceptance of needed change in areas of social, political and economic development.

While it is not expected that this training will reveal experiences which are directly transferable to less-developed countries because of cultural, economic and political differences, it is hoped that it will serve as a stimulus to innovative thinking about community participation programs in countries where AID teams are working.

THREE TITLE IX INITIATIVES

In April 1970, a message was circulated to all A.I.D. Missions advising them of three new initiatives which the Agency would be taking in forthcoming months in response to Title IX. A section of that message, outlining the substance and approach involved in the new initiatives, follows.

In November 1969 the Administrator, with the agreement of the Under Secretary of State, decided that A.I.D. should initiate new programs in three areas of assistance in democratic institutional development, as part of our response to Title IX. These areas are legislative development, institutions for public policy research and education, and legal development.

The principal emphasis in these programs will be:

1. Improvement of the technical capabilities of legislatures (e.g. providing training to the staffs of legislative bodies to enable them to conduct their business in a more professional and effective manner, to assist in the development of legislative research and reference services, etc.);

2. Strengthening of indigenous research and educational institutions concerned with the study of public issues and policies (i.e., civic institutions which would undertake functions somewhat comparable to those which the Brookings Institution performs in the USA. . .); and

3. Law and development of legal institutions, especially ways of assisting countries to promote more equitable distribution of justice and wider access to the judicial process on the part of the people.

We plan that activities in each of these areas will be. . .implemented by non–governmental U.S. institutions (universities, foundations, and similar private organizations) with which contracts or grants covering a multi–year work program will be signed. . . .

This approach is designed to:

(a) strengthen and increase private, professional involvement in these areas and the international character of the training programs;

(b) minimize direct U.S. government involvement in them;

(c) relieve the Missions of the burdens of project negotiation, monitoring, etc.;

(d) encourage the development of non–governmental U.S. institutions ultimately able to draw upon non–A.I.D. financial support to continue and, if appropriate, expand these programs. . . .

INDICATORS OF SOCIAL DEVELOPMENT AND POPULAR PARTICIPATION

In a message circulated in April, 1970 to all A.I.D. missions seven missions with major country programs were asked to provide data and analysis on social development and popular participation as a part of their Country Field Submissions. The emphasis was on access to resources and opportunities and how these would be affected over time by policies and programs of the host country and A.I.D. The message included a set of social indicator tables which the seven missions were asked to fill out as a vehicle for focusing their analysis on key aspects of the development process, such as what groups and sectors are being adversely affected by it. In the agricultural sector, for instance, data was requested on the distribution of land ownership and on differential types of access to land, as well as on differences in the access to modern technology, agricultural credit, and markets on the part of the rural population. The following excerpts from that message indicate its general thrust.

In order to incorporate into the country analysis more systematic consideration of social development and popular participation we have developed a limited set of social indicator tables which . . . Missions. . .are requested to fill out and to use in developing program priorities and objectives. . .

The emphasis in selecting these macro and sectoral indicators has been on access to resources (land, credit, education, etc.) and change in this access over time rather than on the more conventional aggregate measures which assess levels of living or welfare (health, nutrition, literacy, per capital GNP, etc.). . .This is because the primary purpose is to obtain a better picture of the extent to which different groups in the society have opportunities to participate; level of living averages can conceal gross inequalities . . .The projections into the future are especially significant. We are keenly interested in mission evaluations of the probable consequences over time of present policies and programs and of the effect that anticipated changes in policies and programs will have on these social parameters. Missions may want to provide alternative projections based on alternative policy assumptions.

Overall, the data should help in the missions' analysis of four factors essential to determining the need and sectoral priorities for increasing participation as an objective of our program, from which specific A.I.D. strategy and program recommendations should follow:

(1) The pattern of modernization and its effects, i.e., what sectors are being most affected (either positively or negatively) by the spread of modernization, and in what ways?

(2) Which groups seem likely to be affected adversely by present trends, e.g., small farmers, wage earners, professional people? Over what length of time? What economic mobility is there for individuals within groups? Between groups?

(3) What opportunities are open to these adversely affected groups to redress the balance, e.g., increased access to credit, effective unions, more jobs in the cities, labor–intensive rural public works programs, etc.

(4) What changes in host country development plans and/or programs are necessary to promote broader access to resources and opportunities? How feasible are such changes?

ILLUSTRATIVE PROGRAM & PROJECT ACTIVITIES

A variety of activities undertaken by the Agency now address Title IX considerations, not only in the design of country programs but also at the level of specific projects. The following examples very briefly indicate the range of this response to Title IX.

Cooperatives in Uganda

In Uganda, more than a half–million farmers are directly involved in 2,000 primary cooperatives – mostly cotton and coffee – and 33 cooperative unions. These local efforts are being assisted by an AID–supported team of U.S. technicians who are providing on–the–job supervision and helping to conduct local cooperative meetings, and who are working through a Cooperative College and 13 training centers established by AID. These farm organizations have now organized a national federation and a farm supply association, have accumulated savings and raised local capital for investment in other cooperative enterprises while retiring government obligations, have strengthened local thrift societies which make small loans to cooperative members, and are on the threshhold of becoming themselves local lending agencies to farmers.

Bolivian Agrarian Reform

One of AID's more dramatic programs lies in the work to accelerate the confirmation of land titles received by peasants under Bolivia's agrarian reform program. The effect of this has been to give a greater sense of security and well–being to the peasant, and also to provide him with the legal basis for receiving agricultural credit. Land titles to about 16 million acres are involved in the program. Progress in land titling had proceeded very slowly until 1968, when the Bolivian Government adopted a new approach using mobile titling units developed by the Land Tenure Center of the University of Wisconsin under AID sponsorship. In seven months the first four mobile units did the topographic work necessary for distributing more titles than were distributed in the preceeding five years. Through loan and grant support, and with the help of technical assistance provided by the Land Tenure Center, six mobile units were operating in 1969. As of June 1969, 350,000 titles had been distributed towards a target total of 600,000 by 1975.

Peasant Leadership Training in Ecuador

A comprehensive program in Ecuador is aimed at stimulating increased participation in development by rural and urban migrant masses who have

been traditionally by–passed by the development process. The training part of the program includes group motivational training designed to instill confidence and problem–solving ability within target groups and to encourage new styles of leadership from within the group itself. Recently it has been expanded to include motivational training for Ecuador government officials and other elements of the elite strata to make them more receptive to expanded popular participation through self–directed group action. This training activity is being integrated with on–going AID supported local institution–building programs such as cooperatives, credit unions, farmers associations, labor union development, and community development support, which have in the past had limited effect owing to the persistence of paternalistic attitudes among elites and dependency attitudes among the general population. It is also being coordinated with other country assistance activities such as a $3.6 million loan which will guarantee private sales of land to low income farmers and a program of supervised production credit and technical assistance to help assure that purchases under the guarantee program will be able to pay for their land.

Food for Work in Tunisia

Over the past 12 years, a Food–for–Work program in Tunisia has evolved from a one–time emergency relief operation into a program now providing work for around a third of Tunisia's unemployed, estimated in 1966 at about 23 percent of the male labor force. Work in the program is concentrated in soil conservation, forestry, road construction and maintenance, rural water supply improvements and, most recently, urban renewal and construction. AID contributes wheat, which is exchanged for semolina by the Government of Tunisia and then distributed as partial payment to workers. About 75 percent of the program's costs are borne by the Tunisian government.

Despite a strongly centralized government administration in Tunisia and the substantial contribution of the United States, the actual program is highly decentralized. Individual projects normally originate at the local level, usually within Destourian Party cells, and once approved by the Ministry of Plans, local government units have considerable leeway in the utilization of available resources, with only sporadic central control and limited reporting requirements.

Rural Electrification in the Philippines

In the Philippines, where 70 per cent of the population live in rural areas, only five per cent of this group receive electric service, compared to over 90 per cent in Manila. To compensate for the generally small and ill–maintained rural electric power systems, offering service only part time, at high rates, and to a small segment of potential consumers, AID is assisting in the establishment of two rural electric service cooperatives which will serve about 200,000 people. It is also funding 12 feasibility

studies for additional rural electrification projects and providing training to develop local capability in electrification. These projects have occasioned wide popular support as well as encouraged further efforts in rural electrification by the President and the Philippine Congress.

Legal Development in Asia

Through a general program grant, AID helps support the work of the Asia Foundation in a number of Asian countries. Among the activities of the Foundation most relevant to Title IX are its assistance to legislatures, law, and provincial government. Examples are the Congressional fellowship program, which brings Asians to work as staff assistants in Congress, and a program to train staff of the Korean legislature. The Foundation also sponsors activities in a number of countries to provide assistance to the courts, to the administration of justice, for in–service training of lawyers, and for developing more positive public attitudes toward law.

PART III

RELATED COMMENTS & INITIATIVES

POPULAR PARTICIPATION & DEVELOPMENT

Development is more than economic growth. Popular participation and the dispersion of the benefits of development among all groups in society are essential to the building of dynamic and healthy nations. U.S. development policies should contribute to this end.

— Peterson Task Force
March, 1970

While we are encouraged by the achievements in many countries, the success of the low–income countries in creating jobs for the unemployed and achieving a more equitable distribution of income is less apparent. Of course, even if gross inequities persist, most people are bound to benefit from rapid economic growth if it is sustained long enough. Nevertheless, it is difficult to escape the conclusion that aid programs have tended to give insufficient attention to how the ordinary individual in low–income countries has fared. The United States should be more alert to the need for social reform and should seize opportunities for influencing national policies toward broader popular participation in the benefits of development.

— Committee for Economic Development
September, 1969

THE PEARSON COMMISSION REPORT

In several places of its final report, the Commission on International Development, chaired by Lester B. Pearson, recognized that development should be viewed as more than a matter of economic growth, and that social change, institutional reforms, and popular participation are necessary ingredients of any sustained development effort. Three excerpts from the final report are indicative of this concern.

The period of development cooperation began with a number of presuppositions on both sides. Some. . .were unrealistic and unfortunate. . .The nature of the obstacles which stood in the way of quick results, or the decisions which had to be taken to achieve any results at all, were not always understood. The need for export growth was underestimated, agricultural development was usually neglected. Development was also too often only seen as a consequence of decision–making at the top. The vital need to bring about mass participation in development was at times sacrificed to the enrichment of special groups or individuals.

. . .The reasons for the poor performance in the slow–growing countries have included lack of commitment to economic development, limited capacity for economic management, and unwillingness to face the political and social implications of basic structural change. These countries have failed to establish efficient administrations, to insulate economic policy from arbitrary political influences, to establish incentives to farmers, and to undertake tax and other reforms necessary to mobilize adequate resources for development. . .They have only recently begun to recognize that measures to make income distribution more equitable not only serve a social objective, but are also necessary for a substained development effort.

The balance between social and political objectives and economic growth is always a delicate one and involves difficult choices. Sometimes, as a matter of national survival, economic growth must be subordinated to the maintenance or creation of national identity and national sovereignty. In other cases, the objective of rapid growth and equitable distribution of income appear in conflict. Stable development would seem to require a more equitable distribution of wealth and a greater degree of participation in political and economic life than has so far been characteristic of many developing countries. Without popular commitment and participation, the sacrifices that will be necessary for development will not be easily borne.

The next two decades, therefore, will require as much, if not more, in the way of political and social change than the past two. In many developing countries, increases in income have been highly concentrated in relatively few hands. To be sure, consumption cannot rise as fast as output if an increasing proportion of income is to be available for investment in future growth and increased public services. Nevertheless, growth which

merely makes the rich richer will not make for the stable development of a healthy community. Policies which serve to distribute income more equitably must therefore become as important as those designed to accelerate growth. Restrictions on social mobility and individual opportunity created by the caste and class will have to be broken and social systems will need to reward merit. Land reforms must be undertaken to provide incentives for future investment in agriculture and for increased production. There must be administrative reform to make the government machinery more responsive to popular need and more effective in implementing development plans. Tax structures--though improving-- must be reorganized to distribute the burden more equitably and to promote the collection of taxes without regard to political or personal status or economic power. Corporate laws must be amended to curb excessive concentration of power. These and other changes are difficult and involve delicate political decisions. A commitment to development implies a willingness to make such decisions, but the responsibility for those decisions remains, of course, with the individual governments concerned although the way in which the responsibility is discharged is bound to affect international cooperation for development.

THE WORLD BANK

As President of the World Bank, Robert S. McNamara has encouraged the Bank "to show a greater concern to reach and affect the individual" in its various operations. "Programs and projects," he has said, "must touch him more immediately, to bring him quicker benefits and to stir him to greater efforts on his own." The following is excerpted from an address delivered in New York City on February 20, 1970, in which Mr. McNamara indicates his hope that primary attention will be given the qualitative aspects of development during the Second Development Decade.

. . .in setting the objectives, planning the programs, and measuring the progress of development in the Seventies, we must look to more than gross measures of economic growth. What we require are relevant "development indicators" that go beyond the measure of growth in total output and provide practical yardsticks of change in the other economic, social, and moral dimensions of the modernizing process. To limit our attention to expanding GNP, even though it be from 5 per cent to 6 or 7 per cent, can only lead to greater political, social and economic disequilibrium. However important an increase in GNP may be as a necessary condition of development, it is not a sufficient condition.

This is not to say that the Pearson Commission and Tinbergen Committee target of reaching a 6 per cent annual growth rate of GNP for the developing world in the Seventies is not both feasible and necessary.

It is feasible if those of us in the wealthier world will complement the growing savings of the developing countries by moving toward the development assistance objectives endorsed by both these distinguished groups. And it is necessary, if the broader objectives of development are to be met.

But if we achieve the "quantity" goals, and neglect the "quality" goals of development, we will have failed. It is as simple as that. We will have failed.

The Second Development Decade gives us the opportunity to establish and pursue "quality" goals of development with new insights, new strategies, and new emphases.

. . .in this new task of seeking quality in the process of development. . . .we cannot content ourselves with the mere quantity of our operations if they are not adding to the genuine quality of man's life on the planet. And if our investments are to meet this wider goal, I frankly admit that we and other investors need to add to the patterns of analysis a new dimension of social concern.

This concern must, of course, be as rigorous, factual and informed as any of our other economic analyses and forecasts.

We do not want simply to say that rising unemployment is a "bad thing" and something must be done about it. We want to know its scale, its causes, its impact and the range of policies and options which are open to governments, international agencies and the private sector to deal with it.

We do not want simply to sense that the "green revolution" requires a comparable social revolution in the organization and education of the small farmer. We want to know what evidence or working models are available on methods of cooperative enterprise, of decentralized credit systems, of smaller–scale technology, and of price and market guarantees.

We do not want simply to deplore over–rapid urbanization in the primary cities. We want the most accurate and careful studies of internal migration, town–formation, decentralized urbanism and regional balance.

These issues are fully as urgent as the proper exchange rates or optimal mixes of the factors of production. The only trouble is that we do not know enough about them. I would go further to say that, up to a point, we do not even know how to think about them. . .

We should be frank about this. As we enter the Seventies, in field after field, we have more questions than answers. Our urgent need is for new instruments of research and analysis with which to dispel our ignorance of the social dimensions of economic change and help us formulate a more comprehensive strategy for the decade ahead.

EXPERTS' REPORT TO ECOSOC

Under the auspices of the Commission for Social Development of the Economic and Social Council of the United Nations (ECOSOC), a Meeting of Experts under the chairmanship of Gunnar Myrdal was convened in 1969 to clarify the role of social factors in development policy and planning. Below are a few excerpts from its strongly-worded report.

It has been common in the past to draw a distinct line between economic phenomena on the one hand and social ones on the other, opposing social to economic development, economic objectives to social objectives and economic factors to social factors, etc. This is partly due to the rather narrow approach to the development process characteristic of past thinking in economics which relied heavily on simplistic econometric models with highly aggregated variables. . . This approach using relatively simple models with easily quantifiable variables, such as GNP, capital investment, exports and imports lead to a neglect of certain very important factors and aspects of the development process. Thus neglected are all matters relating to differences in income and levels of living – between classes, regions, sectors, age groups, town and country -- matters relating to human development -- health, education, children -- and matters relating to consumption -- nutrition, housing, social services. To these neglected factors should be added the crucial problem of social stratification and many other aspects outside the sphere of the narrow economic models, particularly the vast underutilization of labour. Considering the great importance of those aspects for the development process, the Group believed that the time had come when the economic approach to development analysis and planning had to be integrated with a social approach which was different in nature and would be more relevant to the problems of developing countries in the coming decade.

In identifying social bottle–necks and the mechanism by which they affect development, the role of research is obviously great. However, this research must be specific to the individual country and the Group would emphasize training, technical assistance, field work and strengthening of local institutions rather than broad general research. . .

A field in which intensified research, training and assistance is indicated, is in increasing popular participation and "animation" and relating it more effectively to policies, planning and development. This recommendation has particular reference to young people, including students (where an identification with development goals and methods may diminish the sense of alienation from society), and to rural people at village level especially women. Participation is essential for plan implementation, the deficiencies in which have created something approaching a "crisis in planning". To ensure participation in implementation, however, it may also be necessary to give a sense of participation at the stage of plan formulation. Popular participation and support is particularly needed in matters related to employment policy,

for example the organization of rural self–help activities and public works, or the implementation of wages and incomes policy.

The Group concluded that a major prerequisite in developing countries today was peaceful radical social change, as speedily as possible, which would permit all human and material resources of the nation full and dynamic participation in the process of development. Rapid modernization requires institutions which would make popular participation more effective. Governments tend to embark on major changes only if there is clear evidence of a general demand for such changes. Conditions should therefore be created to make possible "demand articulation" from below. A special effort aimed at the process of making women politically aware and to make them more effective participants in determining the directions of social change is needed. For many societies the problem of making women politically and socially active needs special attention within a broader programme of increasing participation.

The Group wished to place on record and bring to the attention of the United Nations its view that the preparatory work for the Second Development Decade so far seems to have been predominantly in terms of production and other macroaggregates which conceal crucial issues and hence have not been sufficiently welfare oriented. It is considered that this is not in line with present realities in the developing countries and particularly their problems. . . . Production is too far removed from this ultimate objective of true development which is to provide every human being with full opportunities for mental and physical fulfillment.

The Group recommended that any model or basic approach to guide international and national policies in the coming decade should include, among others, four components designed to define a path of development:

(a) Which leaves no important section of the population outside the scope of change and development and which, particularly integrates into the development process the so–called traditional, subsistence and marginal sectors or regions, both rural and urban, which presently remain untouched by it and are left behind without benefiting from it;

(b) Which makes it a principal objective to activate wide sectors of the population and ensure their participation in the development process. . . .

(c) Which accepts and aims at social equity as being morally important as well as an important element in increasing long–run economic efficiency. The principle of equity should mean particularly:

(i) Assuring a minimum level of living for the poorest groups;

(ii) Reducing economic disparities between the various social groups, regions, sectors, etc., by way of investment policies, employment policies, development of public services, financial measures including progressive taxation etc.; and

(d) Which gives high priority to the development of human potentials, especially those of children, by preventing malnutrition during crucial stages of brain and body growth, and by providing health services and equal education opportunities according to gifts and talents.