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REMARKS OF
THE HON. J. BRIAN ATWOOD
ADMINISTRATOR
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
TO THE SOCIETY FOR INTERNATIONAL DEVELOPMENT
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I want to extend my thanks to Larry Goldman and to the Washington Chapter of the Society for International Development for inviting me to share my thoughts with you this evening.

As you know, the U.S. Agency for International Development has entered a time of fundamental challenge. AID's mission, its methods, and even its existence are being scrutinized, and not simply because the Cold War has come to an end. Our multiple mandates, our operating style, our institutional culture have brought us to this pass.

We will survive. We will revitalize. That I can promise you tonight. The United States is not going to abandon the mission for which AID was created. But our situation is not a spectator sport. We -- all of us -- are the development community. AID's predicament affects you because it is not simply the story of an American bureaucracy at risk. It bespeaks a deeper problem: the crisis of international development -- a time of growing needs, and diminishing resources, and waning commitment.

We are in deep trouble. And we are part of the problem. Not just AID, but the entire development community. All of us. AID's troubles don't only affect Americans. They also touch the development agencies of other nations. They affect the international financial institutions that fund development, and the PVOs, and the NGOs. The technicians and consultants and activists who participate in this enormous cooperative enterprise. The vast contingent who see international development as a moral imperative. And more importantly, those in need -- the men, and women, and children -- a billion children -- who look to us with hope and expectation.

Tonight I want to analyze where we are, and why, and share my notion of where we must go.

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From the end of World War II, international politics were framed by the struggle between East and West. Conflicts based on religious, ethnic, and economic tensions were often held in check by Washington and Moscow, or addressed exclusively in terms of their impact on the superpowers.

No more. The Cold War has ended. Problems like ethnic conflict and overpopulation now stand on their own perverse merits. In a sense, that represents a failure for the development community. Throughout the post-war era, we failed to define

overpopulation and environmental degradation and social dislocation for what they are: strategic threats. Every bit as dangerous as armed conflict. The development community tried to communicate the dimensions of the threat. But in the political sphere, among the decision-makers, our message was lost in the worst-case scenarios of East-West conflict.

Read the morning paper. Some societies have already entered a death spiral, a Hobbesian, Malthusian, Spenglerian horror. Looking at Somalia and Liberia, Angola and Yugoslavia, we in the development community experience a kind of cognitive dissonance. The term "development" denotes progress, modernization. But by any meaningful standard, these nations are no longer "developing." Instead, their sovereignty is being dismantled piece by piece, like the water pipes in Mogadishu, like the villages in Bosnia. These nations are returning to the wild, to be ruled by the gunman and the scavenger. They are, in microcosm, the end of civilization as we know it.

We in the development community run the risk of offering solutions that are no longer relevant. Consider the event that recently focused the attention of the American people on the issue of migration: A ship smuggling Chinese immigrants ran aground in New York. But we cannot view this event in isolation. In their desperate swim to shore, the Chinese refugees symbolized the millions, desperate for opportunity, who want to come to the West. Who are coming to the West. And this is not even the worst part of the picture.

We in this room know the real face of migration: of Peru's urban slums, of Cairo's teeming City of the Dead, of Calcutta's baleful streets. We understand the rural poverty that drives it, the debt servitude, the powerlessness. Yet we also know that with poverty lending and microenterprise, with cooperatives and appropriate technology, we can mitigate the social ailments that make people flee their homes for the dream of a better life.

But will the development community get the chance?

Our problem is not that we face daunting development issues -- that is our business. Our community can find solutions, at least in part. Our problem is that the donor nations may lose the will to try. At a time when the developing world has cause for fear, yet also for hope, the industrial nations may be giving up.

Throughout the industrialized world, support for development is in doubt. In February of this year, the Rockefeller Foundation released a poll on "Americans and Foreign Aid in the Nineties." They found the following:

The public does not have confidence that aid is improving conditions in other countries or reaching the people it is intended to reach.

The public increasingly believes that foreign aid is unaffordable.

Popular support for economic assistance is dropping; the majority of Americans now oppose it.

Opposition to economic assistance is strongest among the young.

Even among college graduates, only one person in six believes the United States is doing less than it should.

These attitudes are reflected in the resources that donors devote to foreign assistance. According to the OECD, official development assistance consumed .2 percent of America's GNP in 1991. Japan spent .3 percent of its GNP The U.K., France, Japan, Sweden, and Germany increased the absolute amounts of their outlays, but on the whole the trend line was flat. At a time of burgeoning needs, spending on development lagged far behind demand.

How do we deal with our publics? This is an issue that I have already raised with my counterparts in other countries. They all agree: people misperceive development assistance. They are preoccupied with their own economic travails. They have donor fatigue, and a cynicism about the prospects for a more stable, more prosperous world.

Yet the situation is not entirely bleak. The Rockefeller Foundation found that Americans will support humanitarian aid, and the same appears to be true in other western democracies. People will support assistance that addresses environmental problems. They will fund programs that generate jobs.

Our immediate challenge, then, is to make a strategic case for foreign assistance. Deforestation and overpopulation, rural migration and endemic poverty threaten our air, our water, our economy, our society, and our future. The industrialized states cannot escape the threat by being passive, or worse, indifferent.

Our publics are not yet wholly indifferent. Yet we detect a certain feeling of separation, perhaps because floods and famines and disorders stream too rapidly into our consciousness. And television plays a curious role here: On the one hand, the images of war come across with dreadful clarity: the clap of artillery, the devastated towns, the refugees. But the images of environmental disaster and societal breakdown only make an impact when they come to deadly fruition: the floods, the forests slashed and burned, the fleeing migrants, the starving children. And the underlying causes of those disasters -- the very things the development community is trying to fight -- barely make the news at all: Erosion, corruption, pollution -- they just aren't good television.

So we can add one more threat to the things that menace us: Indifference. The notion that caring won't change anything. The lack of any gut concern about the world. That truly is our ultimate development problem: the possibility that the donor nations might disconnect.

This is not some theoretical worry. We may already be seeing a glimpse of it in the former Yugoslavia, but not among the combatants. Yugoslavia is part of Western Europe, after all -- it is even feasible to mount weekend relief missions. People from nearby countries drive down to the war zone -- it's a couple of hours away -- and drop off food and blankets and medicine. By Monday, the donors are back at their jobs.

I recently heard an incredible variant. At least one tourist agency has been organizing "disaster tours." People drive down to the war zone, but only to watch. They stand on the hills above Sarajevo, and see the shells arc in. They drive up to besieged towns. They hear the snipers. And then they go home.

God help us if a neglected world becomes another Bosnia. The strategic threat we face will not allow us to be bystanders. The consequences of indifference and neglect will involve us and affect us. The western democracies won't have the luxury of being "disaster tourists." If we fail to act, we'll be more than spectators at the siege.

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The United States Government will not accept the notion that our people will sit by while disaster overwhelms us. We believe the American people will understand that the costs of doing nothing are far greater. And we believe that our response can be encompassed by a new paradigm already endorsed by the international community in Rio. I refer, of course, to sustainable development.

We will base our sustainable development strategy on four missions:

-- Aiding the environment;

-- Addressing population <u>and</u> health;

-- Building democracy; and

-- Encouraging economic growth.

Our administration will follow an integrated development approach. We will address the larger economic and social process; and we will avoid operating within the narrow confines of the individual disciplines of development work.

There's the rub, and we all know it. The development community is a realm of city-states. Too often, we act like the seven blind people describing the elephant. In our operations, we are like the seven blind people <u>assembling</u> the elephant. I expect any time now to see a congressional earmark for a trunk!

But this is an indulgence we can't afford. We in this room are agricultural scientists, and urban specialists, and bankers and planners and politicians: it's inevitable that we would view development through our own particular prisms. But the time has passed when we can talk only of our remedies, as if they could work in isolation.

Consider, for instance, the commitments we undertake when we endeavor to save the life of one little girl. Let's say she lives in a village, and she's the beneficiary of a program that provides inoculations against childhood diseases. What does saving her life really entail?

If you inoculate her, so she doesn't die of whooping cough or rubella, then you have to provide childhood nutrition, so her mind and body can develop.

If you feed her, then you have to provide adequate schooling, so she is literate enough to understand her world.

If you educate her, then you have to provide proper housing and sanitation, so she can enter adulthood with youthful energy, and not exhausted from parasites and disease.

If you house her, then you have to provide some rural economic stability, which itself implies environmental planning and appropriate technology.

If she grows up in a stable rural environment, then you have to provide vocational training, so she can learn a skill that gives her an income and a sense of accomplishment.

If you help her acquire vocational training, then you have to address her role as a woman, including her reproductive rights, her economic rights, and her social status, so she is not isolated from the rest of society or rendered powerless.

And finally, if you do all these things, you have to help her nation build democracy, so she is not just a recipient of aid, but a participant in her own development.

If our goal is truly to save her life, all these things are needed.

But will the development community get the chance?

An integrated approach, involving every element of the development community, is a matter of necessity. And for the development community, it is a matter of survival. We cannot hide out in our own little technical niches. If we are to rebuild our constituency, no one program will do it. If we are to summon a consensus to assist the developing world, then the overall benefits -- and costs -- have to be communicated to our publics.

Let us remember: Our work is Human Development, not just "development," and only human development is sustainable. The improvement of society cannot be divorced

from the improvement of people. We have to embrace that notion, and all the complexities it implies.

I believe the Clinton administration understands this.

We will take an integrated approach to population and health. Family planning is a critical element in assuring healthy populations, but we need to build on it. At a time when AIDS is spreading rapidly in Asia and Africa, and targeting the very people who should be on the cutting edge of development, our concern must include family planning and go beyond. Maternal health, prenatal care, safe sex, and social education must be part of the total picture.

We will take an integrated approach to aiding the environment: Global warming is a transnational issue. So is the fate of the oceans and tropical forests; they require collective efforts that cut across national boundaries. Local environmental programs fit naturally into global ones; environmental damage does not stop at a line on the map. And solutions that work are applicable worldwide.

Our answers to environmental problems must themselves be interdisciplinary: For instance, sustainable agriculture implies appropriate crop planning, and integrated pest management, and soil conservation, forest management, crop storage, and transport. We want to support all of these endeavors, and more importantly, we will work to make them mutually reinforcing.

This administration has made a commitment to boost exports. Many agencies are gearing up their involvement: State, Treasury, the Commerce Department. AID will concentrate on private sector development. Our role is to develop markets, to create demand, and to promote free enterprise and equity.

And we will take an integrated approach to democracy-building. We have already read that several developing countries will come to Vienna and assert that democracy and development are mutually exclusive. They are not. It is a false choice. We will say it at Vienna, and our programs will embody that belief. No development process can be sustained if it does not include democratic development.

A lot of people thought that when I came to AID from the National Democratic Institute, I would equate democracy building with elections. I hope I am not guilty of viewing the development process through the same narrow prism of which I spoke earlier. I believe that at the grass-roots level, participatory development and democracy go hand in hand.

Group decision-making promotes representation, consensus, and accountability. It legitimates institutions, and encourages compromise and conflict resolution. Democracy is the antidote to zero-sum politics and beggar thy neighbor economics.

With each success, the ground is prepared for further democratic practice. Empowered individuals become the driving force for free labor unions, free enterprise, and civil discourse. The rise of a civic society promotes rational choosing and rational planning. Democracy is not an obstacle to development. It is a key to development.

This has particular relevance to the former Soviet Union, where AID is carrying out the President's commitment to provide assistance at a critical time. The greatest obstacle to development there is the lack of a civic society. Under the Tsars and the Communist party, the consent of the governed was an oxymoron. Law defined only a citizen's duties to the government. Attitudes and assumptions inimical to growth and civility did not die with Soviet rule: free enterprise is still equated with gangsterism. Democracy is still equated with disorder. For local apparatchiks, public participation still means the loss of privilege.

The people of the Newly Independent States have almost none of the local institutions of democracy that we take for granted: a rational tax system. Responsive local governments. The schools and clubs and volunteer organizations that teach democratic values -- liberty, peace, justice, and belief in the future -- simply by their everyday workings. That has to change.

Because we in the development field sometimes have had to carry out our work in nations where corruption is endemic, every development agency has suffered at one time or another simply by association. Yet in a sense, I am gratified by all the international public attention on corruption. It does bespeak disorder, but also the expectation that public thievery should <u>not</u> be the norm.

This is a step forward, in every land where corruption now elicits outrage and not just acceptance. It reflects a desire for transparency and accountability. Whatever your view of the relationship between democracy and economic development, let us at least agree that transparency and accountability are indispensable in our work.

Our challenge now is to analyze the process of political development, establish criteria for success, and set goals for ourselves as we do in economic matters. Economic and political development reinforce each other. AID's programs will embody that fact.

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But will we get the chance? What is AID now prepared to do?

First, to meet the challenges of development in a struggling world, the Agency will need to get smaller to prepare itself to grow. Of necessity, we will reduce the number of country programs, and missions, and projects on which we work. We have no choice. Budget cuts and reductions in our operating expenses budget impel us to cut back, but we should do it anyway because we now are spread too thin.

We will use development criteria to determine how we're going to reduce the number of nations in which we operate. We certainly will use the criterion that if a government does not participate with us in the development effort as a partner by allowing us access to the people in the country, then we cannot make development sustainable. We will also take into account whether a government puts its own resources into development. We are not going to be in the business of setting political conditions, but we must be in the business of establishing development conditions.

Second, AID will improve its ability to mount a rapid response. Too often we seem to be institutionally incapable of moving quickly. That has to change. An increasing number of countries are losing their sovereignty to anarchy and chaos, and we need to have the capacity to help countries put themselves back together. We need to do more than provide disaster relief and food. We have to be able to stabilize institutions, and help rebuild them.

Third, AID will work with you. As an institution, and as a development endeavor, we require the trust of Congress and the American people. To do that, we need your help. You are the implementors of development, and we need your guidance. We will not and cannot develop a strategy in isolation. We want you to help us with our plans, but to do this, each of you must look beyond your own immediate concerns. With that tradeoff, we will listen, that I promise.

We will be more responsive. The time when AID made its grantees jump through hoops for reasons that had nothing to do with development is over. We are partners, and we must treat each other with respect.

We will be more willing to take risks, knowing that the nature of development is to try new methods and be open to ideas, even if they sometimes don't turn out as expected. AID needs to be on the cutting edge; progress is achieved, after all, by trial and error, not trial and success. With our limited resources, we will not always be able to lead with dollars, but we will always lead with our ideas and well-developed plans. And to get the most from the risks we take, we will share the lessons of success and failure with you, and with other development agencies, and with international financial institutions.

This is the ultimate integrated approach to development: a synergy of all our skills. At a time of diminishing resources, all of us have to concentrate our efforts and coordinate our programs. As a community, we need better means of evaluating what we accomplish and how we fall short. AID intends to be a leader in evaluating its projects, and sharing its knowledge, and insights, and skills.

Will we get the chance? We <u>want</u> the chance to make a difference.

What ultimately motivates us to be in this work? We may not be always be able to save nations, but we can save individuals, and villages, and sometimes societies. Some

people would write off the nations we seek to help, write off whole classes within those societies. Yet the poor of those countries -- the very people who would be written off -- reject that hopelessness. We know that. We've seen it -- in successes like the Grameen Bank of Bangladesh, and FINCA's poverty lending in Central America, in appropriate agriculture in Africa and a worldwide democratic revolution that refuses to wither.

We will fight the notion that most people will participate in the 20th century only as statistics. That I promise you. We will not stand idly by. We will not be uninvolved. We will not be tourists at the disaster, but builders of humanity, and architects of hope.