

**Remarks of
J. Brian Atwood
Conference on Human Capacity Development for the 21st Century**

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Good afternoon. It is a pleasure to be here today, and I would like to thank all the people who put so much hard work into making this important event a reality.

A few years ago I was invited to Cambridge to speak to a group about foreign aid. I was surprised to see a man at this gathering that I had long admired -- John Kenneth Galbraith. Professor Galbraith had been there at the creation, so to speak. I was fascinated to hear his recollections of the beginnings of USAID in the Kennedy Administration.

It was a very different world. AID was launched with all the enthusiasm, energy and idealism that reflected America's quest to conquer the New Frontier. It was also born of success. No one doubted that foreign aid worked after the success of the Marshall Plan. Today we are barraged by studies that allege that foreign aid doesn't work. Of course these so-called "non-partisan" studies are the product of deep ideological bias. They come to us from the CATO Institute or the Heritage Foundation.

That evening Professor Galbraith remembered the challenges we faced in 1961: An Asia recovering from war, racked by extreme poverty.

Taiwan, Thailand, Korea, Indonesia and the Philippines were worse off in 1961 than many African countries are today.

Seventy percent of Latin America was living in poverty and many countries were under dictatorships. Recall that the Alliance for Progress was later devised to reach out to create a hemispheric bridge between North and South Americans.

South Asia was experiencing a major food shortage. Galbraith remembered the state of India during his tenure as Ambassador. People were starving; children were sick, poor and uneducated.

Yet, despite all these challenges, we Americans knew we could help fix these problems. We felt we had the answers.

Our agricultural research investments and development applications produced the Green Revolution.

Our health research found cures for polio at home and the effects of diarrheal dehydration and malaria abroad.

We fed people. We lowered infant mortality rates. We helped nations create health care systems. And we helped create education systems that are today providing basic, secondary and higher education to millions of young people.

These contributions transformed many societies. India is now self-sufficient, food secure, a net exporter of agricultural products. Indonesia's 1961 poverty rate of approximately 60% has now been reduced to approximately 13 percent. Costa Rica, Korea, Thailand, Taiwan and Botswana no longer need our foreign aid. They have achieved a level of sustainability that allows them to fix their own problems -- to care for their own people.

We are not in this conference today, however, to declare victory. Since 1961 the world population has almost doubled, from 3.1 billion to 5.8 billion. Most of these people live in the developing world. Too many of them -- about 1.3 billion -- live in extreme poverty. About 800 million are malnourished. Too many will die due to diseases we know how to cure. Too many will never learn to read.

I am sometimes accused of battling for bureaucratic turf here in Washington. Let me tell you, nothing interests me less. The debate over whether to merge USAID into the State Department makes me feel as though I am in the movie "Groundhog Day." It never ends.

But the fight goes on, not because there is turf to protect. It goes on because I continue to believe that American leadership in development is essential if we are going to help these suffering people. Believe me, if the United States compromises the institutional integrity of its development agency, it will compromise its values and its interests as well. USAID is worth the fight.

As we look at the global challenges of 1997, we are likely to conclude as we did in 1961, that investments in people -- in human capacity -- will bring the most significant payoff over time. If we can educate healthy children and young adults, we are investing in future development.

We have made progress since 1961. Literacy rates are up 33 percent worldwide. Primary school enrollment has tripled in that period. We have made progress because people in the developing world are better equipped to help themselves.

The World Bank noted in 1993 that, "Primary education is the largest single contributor to the economic growth rates of the high-performing Asian economies." Our education efforts have also had dramatic and measurable impact on reducing population growth, promoting democracy, protecting the environment and improving the health of hundreds of millions of people.

But unfortunately, we cannot rest on our laurels. When we look around the world today, we are faced by some devastating realities that tell us how far we still have to go. In Pakistan, only about 20 percent of the girls in the population are enrolled in primary school. In countries like Niger, Mali, Guinea, Afghanistan and Ethiopia *less* than 20 percent of the girls are enrolled in primary school.

And education is not just an issue for youth or girls. In countries like Egypt, Morocco, Togo, Bangladesh, Chad -- and many others -- adult literacy rates are still below fifty percent. All of our experience tells us that securing lasting development in these nations will remain illusory unless we build the base of human capital.

President Clinton has said that the education of our children is the key to realizing the potential of the next century. He is right. And this vision is as true abroad as it is at home.

A year ago, I represented the United States at a meeting of the Development Assistance Committee of the Organization for Economic Cooperation and Development. At this meeting, the U.S. joined with 21 other donor nations in setting out long-term development goals. Included in these goals was the establishment of universal primary education by the year 2015 and the elimination of gender disparities in primary and secondary education by 2005.

These goals are ambitious but achievable. Even if school enrollments for both boys and girls continue to expand at their recent impressive rates, however, the population of out-of-school children will still be about 85 million at the start of the century. And the vast majority of these children will be girls.

There is a lot of work to be done to provide quality basic education to those now left out. Our Agency must continue to provide the technical leadership to help the international community meet these DAC goals.

We want to continue our pioneering work in basic education. So long as our budget for education is constrained, most of our resources will be sent on basic education.

But we know that human development involves more than reading and matriculating. We know that a human being only fulfills his or her potential over a lifetime of learning. And we know that societies require educated leaders in all fields of endeavor.

The United States has long enjoyed an enormous comparative advantage in building human capacity. U.S. universities and school systems have been at the forefront in developing and adapting innovative approaches to education, particularly in harnessing technology for use in the classroom.

U.S. institutions of higher education work extensively and increasingly with counterparts in developing countries across an extraordinary range of sectors. USAID participant training and workforce development programs help democratize societies, open up new markets for U.S. goods, and empower countries to apply their own expertise to development problems.

In recent years, American colleges and universities have joined with USAID to further our programs in more than 70 countries around the world. In 1996 alone, we supported over 4,900 academic trainees in nearly 400 institutions of higher education representing every state in the union.

The strength of our education system -- including the university community, our international technical assistance organizations and NGOs -- rests on flexibility, innovation and problem solving. The journalist Tom Friedman recently discovered that many of Morocco's top officials were choosing to send their children to American schools. "Why?" he asked. "...the American system trains you how to survive on your own," responded the Moroccan. That is of course the principle objective of our development programs -- helping people and whole societies to survive on their own.

Perhaps the educational asset of greatest benefit to countries we assist lies in our philosophy. Our educational philosophy holds that education helps everyone realize his or her innate potential, that all children can and will learn, and that children learn best in schools that stimulate their natural curiosity. Our educational system teaches our children not only how to learn, but how to think as well.

I am only grateful that recent studies show that President Clinton's emphasis on education is paying off. We are moving back to number one, where we had been for so long.

I want to stress that USAID's first priority remains providing boys and girls in all USAID assisted countries with basic educational skills: literacy, numeracy and the problem solving skills. As I mentioned earlier, the so-called Asia miracle was really no miracle. It was due to two things: investments in universal quality primary education and sound, market oriented economic policies.

In Asia and around the world, primary schooling gave ordinary, poor citizens the skills to enter an expanding economy. Increased wealth and personal income enabled these societies to make yet greater public and private investments in education.

At the recent "Tidewater" meeting of development ministers, the President of the Inter-American Development Bank, Enrique Iglesias, mentioned an IDB study showing that the average Asian worker has nine years of education and training compared to the average Latin American worker's five. He observed that Latin America must move up to seven years to support its current level of economic growth. So you see the connection the experts make between education and economic development. There is no escaping it.

If countries want to achieve economic and social development, no investment has a higher pay-off than educating girls, in that girls' education has lagged far behind boys. Educating girls contributes to economic growth, to better family health and to stronger and more equal

civil societies. Yet girls are too often the last to be reached by expanding education systems.

We need to use our leadership role to push our partners to do more.

Girls' education is a key contributing factor in reducing population growth. The history of Latin America shows that educated women led the demographic transition toward lower birth rates and better cared for families. Educated young women were the first to want smaller families and to make effective use of family planning programs.

In countries attempting a similar demographic transition, including most of sub-Saharan Africa, two things must occur if fertility rates are to decline. First, women need family planning services in order to achieve their desired family goals. Second, women need to think differently about how many children they want. We know that women who go to school think differently and more powerfully about many things: desired family size, their life goals and their participation in society.

Making basic education a priority should be easy, but it is not. There are tough choices for developing nations: the reallocation of scarce resources from fragile university systems to primary schools; asking teachers to move from comfortable cities to dusty villages; upgrading the skills of underpaid teachers and linking their new skills to improved teaching materials.

Precisely because policy and system reform are not easy, donor assistance is a key catalyst. USAID's assistance is not expensive. We do not take on the management or the financing of education systems. These tasks remain the responsibility of the countries we assist. But our support can be critical to the many talented educators in developing countries who share our goals. With limited resources, we can and must find a way to assist these countries to establish viable education and training systems. In the midst of a true revolution of technology and communication, we must also find a way to connect the scientists and teachers in remote universities to the international body of knowledge, science and scholarship.

Our training programs are equally important. When the economist Robert Muscat set out to write the history of USAID assistance to Thailand, he began his work with what we now call a "customer survey". "What was the most important assistance USAID provided?" he asked. The answer from Thais overwhelmingly was "training." This is not surprising. Training is a critical component of all of our work and is intimately connected to the activities we fund in every sector. Training builds the human and institutional capacity that can make a modest investment by USAID last for generations.

Some of you are aware that we are currently preparing our strategic plan, required under the Government Performance and Results Act. Many of you have been consulted on an earlier draft of this plan. I wanted you to know we have been listening.

As this draft plan goes forward for final approval, I will be recommending that education -- human capacity development -- be elevated to the status of an Agency goal along with democracy, economic growth and agricultural development, population/health, environment and humanitarian response. We will call this goal "Building Human Capacity Through Education and Training."

We will at the same time elevate agricultural development as a major goal to be pursued in tandem with the economic growth objective. This area of development has been a USAID mainstay over the years. Given the dependency of most developing countries on agriculture, it was, like education, conspicuous by its absence in our list of goals.

I know some of you will ask, "where's the beef?" with regard to our commitment to human capacity building. Well, let me tell you what we are planning on doing, despite the continuing tight budgets and host of competing priorities that we must deal with in allocating funding.

We will take full advantage of the approximately \$100 million in funding for basic education by setting in place creative and ambitious programs incorporating the "best practices" and institutional strengths of the American education community.

We will place special emphasis on expanding and improving educational opportunities through promoting girls' and women's education,

new technology-based learning systems and early childhood development to help children attain success in school.

We have set in motion a multi-year expansion of our successful higher education partnerships program, beginning in fiscal year 1997. This program already involves nearly 60 U.S. colleges and universities in partnerships with higher education institutions in 29 countries. We will seek to significantly expand the reach of this program.

We will increasingly use new information technology as part of our development strategy. A good example of this approach can be seen in the recently launched Leland initiative that is bringing internet connectivity to nations across sub-Saharan Africa. We want our information technology programs to be tied into our Agency goals and strategic objectives. This will be information technology for specific development purposes, not just technology for technology's sake.

We are initiating a new five year International Development Partnerships program to more thoroughly engage America's historically black colleges and universities in our developmental mission, beginning with \$1 million in fiscal year 1997.

We have initiated a wide ranging set of consultations in Washington and throughout the nation, to better understand the interests and strengths of the U.S. education community in regard to international development objectives.

I am certain that these steps will be productive. I am equally certain that we have much to learn from all of you about other ways that our partnership can produce real improvements in human capacity around the world. We clearly must broaden our partnerships in the fields of education and training. I am particularly thinking of the growing internationalism that permeates the activities and interests of our nation's universities and private sector institutions at the state and local level. USAID has reached out to corporations, private voluntary groups, foundations and to state and local governments to partner with us in our overseas mission. I know that America's universities and colleges and other training institutions are beginning to do the same.

It is time for a joint strategy -- a new partnership among federal, local and private agencies interested in and committed to sustainable development. To this end, we will be proposing a high level conference to explore and energize the synergy that can occur when we include U.S. higher education institutions as active partners in international development.

In closing, I would also remind you that we all have one other important educational task in front of us. Most Americans still believe foreign aid is a larger item in the budget than Defense, Social Security or Medicare. Many Americans do not know how foreign aid serves their interests. Until we do a better job combating misperceptions, it will remain difficult to carry out our work effectively. Under the crush of

budget pressures, the agency has all too often been forced to decide between worthy programs.

I firmly believe that if we can increase literacy around the world by a third in less than three decades, we can explain to the American people why their modest investments through foreign assistance can make a world of difference. Then maybe my own "Groundhog Day" experience will come to an end.

I wish to extend my personal thanks to all of you for your efforts. You should feel very proud of the contribution you make. Nothing could be as satisfying as knowing that you are opening minds to knowledge --- that you are enabling people to fulfill their God-given potential -- that you are creating the critical mass of human capacity that will lead a society to sustainable development. So let's recapture the spirit of 1961 and discover the new frontier of the 21st Century. That new frontier will be conquered only if every child has access to a quality education. Thank you.