

# *Conference for Global Development Cooperation*

## The Carter Center

December 1992

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### ***Acknowledgements***

*I am particularly grateful for the effort of three colleagues at The Carter Center who made this meeting and this report possible: William Foege, Maryann Roper, and Eric Bord. Thanks are also due to the many individuals associated with the Carnegie Commission on Science, Technology, and Government, Carnegie Corporation, and Emory University, in particular David Hamburg, Barbara Finberg, Rodney Nichols, Francisco Sagasti, Patricia Rosenfield, Geraldine Mannion, Maxine Rockoff, Jesse Ausubel, Susan Raymond, Charles Weiss, James Laney, and all the distinguished members of the Commission's Task Force on Development Organizations (see Appendix D). Jeanette Aspden, managing editor of the Carnegie Commission, edited this report. Louise Cook, Betty Partin, and Dan Tucker assisted with typing. Finally, it was an honor and a personal pleasure to have as my co-chair for the meeting my good friend Boutros Boutros-Ghali, Secretary General of the United Nations.*

*-Jimmy Carter*

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***Preface***

***Jimmy Carter***

*I am pleased to introduce this report of the meeting on global development cooperation which took place December 4-5, 1992, at The Carter Center in Atlanta, Georgia. The meeting was an outgrowth of the work of the Carnegie Commission on Science, Technology, and Government, the Commission's Task Force on Development Organizations, which I chaired, and the recommendations articulated in the Carnegie Commission's report, **Partnerships for Global Development: The Clearing Horizon**. That report was released to the public in a press conference held on the first day of the meeting in Atlanta, and a brief portion of it is reprinted in this publication as Appendix C.*

***Partnerships for Global Development** is a remarkable analysis: its timeliness, significance, and quality urge us all to devote whatever time is necessary to its implementation, and we at The Carter Center are determined to fulfill part of that mandate. To that end, we organized the meeting that is the subject of this report on global development cooperation.*

*Both in the White House and at The Carter Center, I have been increasingly concerned about the lack of preparation and cooperation among major international donors in their efforts to alleviate suffering among our most needy people. At the same time, the experience of The Carter Center's own humanitarian projects in less developed countries, including more than two dozen African nations, suggests that governments are often ill-prepared to make best use of potentially available grants, loans, forgiveness of debt, or the services of nongovernmental organizations (NGOs). And the NGOs themselves are all too often working independently and at cross-purposes, with inadequate ties to government ministries; attractive capitals like Nairobi and Dakar are flooded with*

*NGOs, while Bamako, Georgetown, Port au Prince, Ulan Bator, and many others receive very little attention.*

*The meeting described in this report was intended to provide specific recommendations on improving development cooperation on a global scale. A number of interesting and innovative suggestions were offered. One in particular, the idea of an international action task force in development cooperation, is being investigated by The Carter Center.*

*The end of the Cold War offers an opportunity to seek new approaches to old problems. It is imperative that international cooperation and development assistance evolve beyond charity and narrowly conceived national interests, into expressions of partnership and responsibility for the well-being of all humanity. Never in history have we possessed the power to create an ever-expanding range of opportunities for human betterment. As you read this report and learn of the many other innovative proposals that were made, I hope you will consider how you might play a role in bringing some of them to fruition.*

## ***Foreword***

***David A. Hamburg, President, Carnegie Corporation of New York***

*It is a privilege to join former President Jimmy Carter in introducing this report of The Carter Center meeting on global development cooperation. It addresses a badly neglected and critically important topic. If these problems cannot be solved in the next few decades, there will be immense worldwide dangers.*

*The meeting which this report summarizes was an outgrowth of the groundbreaking work of the Carnegie Commission on Science, Technology, and Government, and that Commission's Task Force on Development Organizations. At the beginning of The Carter Center meeting, another report, **Partnerships for Global Development: A Clearing Horizon**, the final report of the Task Force, was formally released (Chapter 1 of the report appears as Appendix C). The two reports taken together have the potential to transform completely the way governments and institutions have traditionally approached development issues.*

*In 1989, when I set out to establish the Carnegie Commission on Science, Technology, and Government, with the superb cooperation of the Carnegie Corporation board, one of our deepest aspirations was to make the enterprise a truly international one, taking account of the extraordinary circumstances of world transformation. At that time, we were just beginning to envision the end of the Cold War and a vast array of new opportunities that might well emerge. A turning point in the development of the Carnegie Commission on Science, Technology, and Government occurred when I was able to enlist the distinguished leadership of Joshua Lederberg and William Golden as co-chairs, and then to enlist the active participation of President Jimmy Carter in all the activities of the Commission.*

*In light of President Carter's profound commitment to developing countries, to the use of science and technology for development, to human rights, and to the building of democratic institutions, it was our privilege to ask him to chair the Task Force on Development Organizations. His agreement to do so, and his vigorous intellectual leadership of the enterprise, assured its success. We were doubly blessed by being able to link President Carter with an established leader of the scientific community who has had extensive experience in international cooperative efforts, Rodney Nichols. The final report of the task force is a major statement-in my view, one of the most significant ever made on this subject, especially in view of its timing, context, and leadership.*

*President Carter, in organizing The Carter Center meeting on global development cooperation, was determined that the unparalleled collaboration and creativity that brought about **Partnerships for Global Development** would go forward and produce specific recommendations for action that could be adopted by governments, nongovernmental institutions, universities, foundations, and the business sector. The meeting, which he co-chaired with United Nations Secretary-General Boutros Boutros-Ghali, brought together leaders from each of*

*these arenas. The result was a remarkable two-day exchange that generated a number of exciting and provocative proposals. As you read this report, many of the meeting participants are actively pursuing several of those suggestions. Such a sketch cannot do justice to two intellectually rich and morally uplifting reports. The main themes of **Partnerships for Global Development**, and the ideas, hopes, and expectations articulated at The Carter Center meeting, are likely to reverberate throughout the world for decades to come. If they are taken seriously by leaders and incorporated into the work of relevant institutions, the world will become a much better place than it is now.*

## **Introduction**

The Conference for Global Development Cooperation, convened by former President Jimmy Carter and United Nations Secretary-General Boutros Boutros-Ghali, was held at The Carter Center in Atlanta, Georgia on December 4 and 5, 1992.

The purpose of this meeting was to identify specific and practical ways to improve development cooperation on an international scale. The discussion focused on two aspects of this issue:

1. determining ways in which the international capabilities of developing nations can be enhanced both to create and manage technological change as well as to advance broader economic and social goals in an increasingly fluid world; and
2. improving the effectiveness and coordination of the activities of external partnerships in response to both long-standing and radically new development needs. A list of meeting participants is provided in Appendix B.

This document is a summary report of the Conference for Global Development Cooperation. Part I of this report contains transcripts of the major speeches presented during the meeting. These include presentations by President Carter and by Secretary-General Boutros-Ghali, and a keynote address by Dr. Uma Lele, Graduate Research Professor of Food and Resource Economics at The University of Florida, Gainesville.

Part II of this report provides summaries of the discussions at each session of this meeting. Three such discussions were held to address the following topics:

(1) key issues for new partnerships in development; (2) forging new partnerships in development; and (3) what can be done to accelerate world development. A fourth and final session summarized recommendations for future action.

The Conference for Global Development Cooperation was a direct outcome of the work of the Carnegie Commission on Science, Technology, and Government and its Task Force on Development Organizations. The Task Force on Development Organizations spent approximately two years examining the issues surrounding global development for the next decade and beyond. The report of this Task Force was released at a press conference held in conjunction with the Conference for Global Development Cooperation. The Executive Summary of the Task Force report appears in Appendix C.

## **PART I Keynote Addresses**

The conference format consisted on three major addresses and three working sessions. Part I (pages 7-37) offers a full text of the three addresses, and Part II (pages 39-67) is a summary of prepared statements that were presented at each session and of the discussions that followed.

### **Global Development Cooperation: Time for Change**

*Jimmy Carter*

*39th President of the United States*

I am extremely proud and gratified to have with us tonight my good friend from Egypt, United Nations Secretary-General Boutros Boutros-Ghali. When you form ties of acquaintance in a crucible of crisis over a long period, that acquaintance almost inevitably evolves into a close and lifetime friendship. Boutros Boutros-Ghali was with me and Prime Minister Begin and President Sadat and others for 13 days in 1978, and I have always been grateful to him for his statesmanship. His sound and solid advice helped make possible the Camp David accords that led to a permanent peace treaty between Israel and Egypt. Boutros Boutros-Ghali, we are grateful to you.

**A Time of Change-For Better or Worse**

We are in a period of seminal or transcendent change. Few would doubt that in the last few years, primarily because of the impact of Mikhail Gorbachev and other changes, the world has entered a new era. Positive changes include an end to the Cold War; a binding together of people through instantaneous communication, primarily television; an increased emphasis on human rights; a burgeoning of democracy in Latin America and the Caribbean, and particularly in Africa; a hunger of people for new freedoms; and a realization that from a free market system can come the best hope to realize life's dreams. All these changes have had a beneficial impact on the consciousness and potential future of the world. And that alone would make this a very exciting time.

However, there are some negative factors that almost totally counteract those positive ones. And since I left the White House-not because I left the White House, I'll hasten to add-things have gotten worse. When I left the White House we had seven million refugees in the world. Now we have more than 30 million. When I left the White House, our country was the greatest creditor nation on earth. We are now by far the greatest debtor nation on earth. The current U.S. foreign debt more than triples the foreign debt of all the developing nations in the world. And this saps tremendous potential financing that could go to give people who are hungry a better life.

There is also the slow evolution of another seminal change. I grew up in the South, here in Georgia, along with Andy Young and others, and I witnessed the devastating impact of racial discrimination: a system approved by the Supreme Court of the United States and our own government in which our African-American citizens were relegated to an inferior status in schools, in churches, in public affairs, and in access to citizenship rights. And it hurt the white people as much as it did our black neighbors. Several years ago, Rosalynn and I spent a long time-26 days and nights-negotiating to try to bring some semblance of peace to Ethiopia and to Sudan. And we observed, in Sudan in particular, a schism that was particularly great because of religious and other kinds of



discrimination, where a fundamentalist Islamic government was imposing Islamic law on the rest of the country, including some of the Christians in the South.

### **Discrimination by Rich against Poor**

But I'm going to repeat the same statement I made at the United Nations a couple of years ago. The greatest discrimination in this world today is discrimination by rich people against poor people. It's a discrimination that is both invidious and insidious, because we don't really acknowledge - we rich people - that we have within us the potential to accept discrimination. I'm not talking just about people in Bangladesh or Ethiopia or Haiti or the slums of Calcutta, because we have the same discriminatory inclinations in Atlanta, Georgia. Atlanta is a great city. The Olympics are going to be held here, we have a wonderful - I think the best - baseball team, if not in the world, then certainly this year in the United States of America. No one can deny that. And we have a wonderful, beautiful skyline. We are The International City, and we've long had good relations between black and white leaders when Birmingham and other cities were suffering because they couldn't get along. But Atlanta is two cities. It's two communities. Just a few months ago, only a few hundred yards from here, there were people living in tarpaper shacks in the midst of a kudzu field, who didn't have any of the things we take for granted.

By rich people, I don't mean those who have a good bank account. I'm talking about a person who has a home or a place to live, who has a decent job or a prospect of a job, and who has a modicum of health care and some education. I'm talking about people whose children have a chance of a better life than they enjoy, who live in a reasonably safe neighborhood or even have a neighborhood, who feel like the police and the judicial system are on their side, and who think that if they make a decision, it will make a difference - in their own lives at least. But we have a lot of people who don't have any of these things and about whom we know next to nothing. And quite often we make no real effort to know them.

Many of the people in this country, no matter what race they might be, who have all those securities don't even know a poor person.

### **The Stigma of Foreign Aid**

And we try to reach out through development aid or assistance, which have now become almost epithets. In the political world it is almost suicidal to espouse foreign assistance or foreign aid. But they encompass the basic elements of humanity - compassion, concern, love, service, equality, partnership, and cooperation. It has become a stigma in the political world to talk about foreign aid.

How do we take advantage of opportunities that present themselves with better communication, better understanding, quicker transportation in this troubled time when foreign assistance or development is not a popular thing and when things cost more? There are no easy answers here in Atlanta, or in emerging democracies like the one The Carter Center was so proud to observe in Guyana - or in countries emerging from decades, even generations, of suffering and torture and war, like Ethiopia. How do we relate to people in developing countries who now reach out, not as supplicants, but as potential partners, to us and say, "Help us realize the advantages of humankind and share with you a better world with mutual benefits"? How do we respond? We don't really know how. We've failed. And there are a number of reasons why we have failed. We've talked about them all day. I'm not going to repeat them. But the purpose of the Carnegie Commission, at least of this particular Task Force, was to decide whether we can now correct our mistakes, overcome our handicaps, solve our problems, answer some questions, and move forward together with a spirit of hopefulness and assurance and confidence and commitment. How do we move forward? That is a question we face at this conference. That is the question we've tried to answer in the Carnegie Commission's report. I'm eager to hear Boutros Boutros-Ghali's comments tomorrow morning from the perspective of the world community body and the United Nations (see this volume, pages 14-20).

## **Overcoming the Problems - Working as a Team**

There are some ways to overcome some of the problems that have been mentioned. One is for those of us who are involved in the rich and secure nations and in international organizations, in churches and synagogues and mosques, in business and in universities to combine what we have to offer it in a spirit of teamwork. So far, in the United States we have not done this.

One very vivid example of international cooperation involves Bill Foege (Carter Center Fellow, Director of International Health Programs) and some of you here as well. Seven or eight years ago, the World Health Organization, UNDP, UNICEF and the Rotary Clubs - which had donated about 250 million dollars for polio vaccine - and the Rockefeller Foundation came to The Carter Center and said, "We've been trying to immunize the world's children. We're all trying to the best of our ability. We've not been able to make much progress." The reason? They didn't even know each other. They didn't talk to one another. They didn't cooperate. They did not work as a team. In effect, they were competitors. But with the help of Bill Foege and with their total cooperation, with nobody being anybody's boss, these independent groups formed the Task Force for Child Survival, which is now the Task Force for Child Survival and Development. Then with no appreciable increase in funding or personnel, in just five years, the Task Force increased the percentage of children immunized worldwide from 20 to 80 percent. This indicates to me a reason for hopefulness in trying to make development more effective. We're not going to get much more money. International development assistance is not going to get much bigger in the World Bank. UNDP is not going to have a large increase in funding. USAID is going to be lucky to get as much funding as it gets now. How can we use what we have more effectively? The Task Force for Child Survival and Development is one possible model. But if we can't cooperate with each other and form a team, instead of a competitive group of independent entities, then I don't think there is hope.

Not long ago, Bill Foege and Rosalynn and I were in Nairobi talking to President Moi about a health program. President Moi told us, "We've got 200 NGOs in Nairobi, all of them interested in health care. There's no way in God's world for our minister of health to meet with all of them." But you see, in a country with a government that is newly emerging as a democracy or just finding freedom, where its leaders were previously just guerilla fighters, they don't have the slightest idea of what is available to them to give their people a better life through improved agriculture, health care, shelter, or education. So coming together as donors in a comprehensive task force, I think, would give us one avenue that might be promising. There are no magic answers.

Another thing we should require, as representatives from two developing nations said this afternoon, is accountability. "You've got to lay down some groundrules or some requirements or some standards and force us to meet them." Why should the donor groups go into a country like Guyana or Ethiopia or anywhere else to fund a totally fragmented group? It is absolutely necessary that within that country there be a comprehensive group. Not just in the government, but also in the private sector. This group should include not just business and finance experts, but experts on tourism, mining, forestry, energy and oil exploration, and education, all coming together, so that when a limited amount of money is available - 50 million or 100 million dollars - that money is going to be spent in the best and most effective and efficient way. That, I think, is another crucial element in successful development aid.

### **Reducing Costs through Innovation**

There's another crucial element. In the international community, costs are extremely high. Early this week I met with a group of Southern Baptists who have split off and are forming a fellowship. One of the men who has just joined that fellowship was in charge of all Baptist missionaries in the world. I asked him, "How much does it cost to keep a missionary family overseas for a year?" I said, "Just take Russia or Kazakhstan as an example." He said it cost about a hundred

thousand dollars a year per family. I'm sure, Boutros, when you send somebody out of the country to a foreign nation, it costs about that much. It does The Carter Center. I said, "How much does it cost if you get a Russian family who happen to be Baptists to do the same work?" He said three percent, or three thousand dollars, U.S., a year. It was a startling answer, and I continued to question him. He said, "No, that's accurate."

The average Russian is making about 75 cents a day - about 300 rubles a day, which is really not quite 75 cents anymore. But if we send strangers from The Carter Center or from foundations, universities, or from the United Nations to another country, they not only cost an enormous amount of money, but quite often they don't know the culture. Consequently, we try not to do that at The Carter Center.

### **Local Involvement for Lasting Change**

For instance, Global 2000, a program based here, is working with about 150,000 African farmers to teach them how to increase food production. In Benin and Togo combined - Rosalynn and I just came back from there - we've got one person. He happens to be a Senegalese trained by Dr. Norman Borlaug (Nobel Laureate and Senior Advisor to Global 2000). But we sign a contract - a firm, binding contract - with every country that we enter, between me, representing The Carter Center, and the leader of the country, the king or president or prime minister. And that leader must agree to do certain things; we, in turn, agree to do certain things. In the case of agricultural production, which is not a perfect case or example, all we provide is a limited amount of service. We provide a top-notch agricultural specialist. The government provides all the extension workers. They pay for them. We provide bicycles, which they have to pay for, to ride around from one farm to another. We don't think it's best for us to give them a bicycle. Let them pay for it. And they are glad to do it. And in the process, they are trained under our leadership. A large group, sometimes 200 extension workers,

become expert over a period of time in the production of the particular food grains in their country.

It's a very efficient system with a permanent impact in those particular countries. I mentioned that we now have 150,000 farmers. We have started limiting the number now to about 20,000 per country. We made a mistake in Ghana by having too many farmers enrolled in the program. We couldn't handle it. They produced too much corn, they didn't have a place to store it, and the market was glutted. We couldn't handle it because we didn't build systems to support increased production. In an average country, for 20,000 farmers, the total cost to us, including the administrative cost, is about \$600,000 a year, which is \$30 a family. And we can triple or quadruple their production of food grains every year. I'm not saying this is a perfect model. But the point is that there are ways to use limited financial and human resources to increase the effectiveness of your money while not intruding as foreigners into a country. There is a way to train local people instead of using hired consultants, a practice too often favored by USAID, who will never be part of the economy or the culture or the society that they are trying to serve. It is possible to do this.

### **Convincing the American People**

Another thing we need to do is to convince the American people that this is a fruitful investment. It is not a hopeless case, unless our efforts are fragmented, and then it is hopeless. I think if we educate the American people about the promising works of many developing countries, the American people will respond favorably.

What do we want? We want good customers in the future. We want secure sources of raw materials. We want to see the world environment improved. We want peace and harmony and friendship with people in other countries. We want to see the expansion of human rights and democracy and the improvement of a free enterprise system. These are the kinds of things we want. And I think if Americans could see what a tiny investment it would take through foreign

assistance or development aid to bring about these kinds of results - in Ethiopia or Guyana or Ghana or Mali or Burkina Faso or in the future, I hope, in Liberia, in Mozambique, in Somalia, the American people would say it's a darn good investment. People like me can help. David Hamburg can help. Boutros Boutros-Ghali can help. If we work together, then I think we can overcome this stigma, this impediment to foreign assistance.

### **Universal Benefits**

Let me close by saying that it's not a hopeless case, and the benefits are universal. I will have a better life if there is peace and democracy and freedom and prosperity in Liberia. And I've been blessed already by my brief experience in Guyana, a country that attained independence in 1965. It has just had its first open election, in which the people chose their own leader. This is very exciting to me. It is gratifying to go to Ethiopia, where they still have some problems, but are struggling to have a judiciary system that's independent and to deal in a humane and legal way with a number of war criminals from the communist Mengistu regime. The Ethiopian government and others have called on The Carter Center to send in experts on human rights, just to make sure they don't violate the basic principles of human rights as they attempt to overcome the ravages of 30 years of war. And they're asking us to help them as they privatize land. Now, each peasant family who formerly was forced to leave their village and move to a distant place to live on a commune, can say, "This is my plot of ground. It may not be but two acres, but it's mine. And my children will work this same land, and so will my grandchildren." To me that's very exciting and the kind of investment of a part of my life that I find to be very profitable. Those are the kinds of things I see that can come out of the Carnegie Commission report, two years in the making, and out of this conference, where we come together to join some of the most brilliant and experienced minds in reaching out to others with a hand of friendship, and say, "I'm not playing Santa Claus or doing you a favor. I'm sharing with you the tools to make a better life in the future for you, for your children, and

for mine." That's what we can do if we are determined, courageous, innovative, cooperative, unselfish, and if we really care. And I think we do. Thank you.

## **Overcoming the Crisis in Development Cooperation: A Global, Regional and National Challenge**

*Boutros Boutros-Ghali*

*Secretary-General of the United Nations*

Why is this conference so important? Is it because the world grows weary of the task of development? Many donors are tired. Many of the poor are dispirited. The field of development cooperation is in crisis.

So it is right to hold this conference now. And President Carter takes the right approach. As he said, if we just meet to discuss once more the failure of international aid programs, and make a few recommendations for others to pursue, then we are likely to be wasting our time. Let us not waste our time. Let us be as specific and action-oriented as possible.

The crisis is deepest in, but goes beyond, the familiar disparity between the "North" and the "South." Countries of Eastern Europe and the former Soviet Union are struggling in their transition toward democracy and market-based economies. Even OECD countries are not immune to economic and social ills. It has often been noted that there are many poor people in rich countries and many rich people in poor countries. Poverty, unemployment, inequity, and growing insecurity are felt in virtually every part of the globe.

But no one can deny that Africa as well as many other regions of the South are of particular concern. I have spent 40 years of my life working on African issues and will therefore make special reference to Africa in this paper.

### **A Record of Frustration**

We look back on a record of frustration. The rich countries had hoped to resolve the problems of the South - poverty, hunger, high population growth rates, low



productivity, economic stagnation, debt, drought, desertification - by channeling aid through international and national institutions that were created almost fifty years ago. This has, however, not been a success. The time has come to take a critical look at the aid patterns of the past. Aid is not restricted to financial assistance made available on concessional terms to developing countries for specific development purposes. It often includes funds for military purposes, trade credits, diplomatic and cultural exchanges, refugee and drug programs - which go beyond purely economic objectives. The problem with aid is not that it supports political objectives, as has often been claimed. Indeed, if political objectives are good, they should be supported. The problems are the following: First, aid often supports military expenditure. Thus it is not only used unproductively, but it may aggravate military confrontations. Second, it frequently inhibits or delays economic reforms. It helps perpetuate otherwise unsustainable domestic economic policies. By creating overvalued exchange rates, aid also promotes protected, inward-looking economies. Aid, which is often linked to purchases of goods supplied by donors, also accentuates import dependency. Thus, although aid remains important for some purposes, it often goes to the wrong countries and is used for the wrong purposes.

This needs to be changed. It is imperative that aid flows be used for productive purposes, particularly the development of human, physical, and institutional infrastructure. At present, only a small fraction of Official Development Assistance (ODA) flows are used for human development, widely recognized as a crucial ingredient of development. It has been estimated that in 1988-89 only 7 percent of bilateral ODA and less than 10 percent of multilateral ODA was directed to programs in the "human priority areas" (basic education, primary health care, supply of safe water, sanitation, family planning, and nutrition). The South, on the other hand, has tended to put its hope in utopias. In the 1970s we heard of the New International Economic Order and the Lagos plan of action. More recently, at the summit meeting in Abuja we heard of an African Common

Market. Such grand aspirations bring bitterness and deeper despair when they fail to come about.

I am convinced, however, that the situation is not without hope. The experience of past decades can yield practical guide-lines for the future. Out of the experience of frustration, I want to put forward two sets of concepts. They are not new. These are not concepts for abstract contemplation. They are concepts for action.

### **Coordination and Regionalization**

Global development cooperation is obstructed when national and international agencies number in the hundreds and each goes its own way. Despite conflicting mandates and bureaucratic competition, coordination among donors is possible - and essential. Coordination needs to take place at the regional and field levels. The United Nations system also needs to be better coordinated.

I want to address all these dimensions - national, regional, and global - starting from the ground up.

### **The National Level**

At the national level, there must be a strong and unified presence in the field. This will facilitate the provision of aid and technical cooperation to developing countries. The field is where decisions adopted elsewhere take effect. Practical experience in the field can lead to better decisions in the future.

Bilateral and multilateral donors need to complement efforts of developing countries at national macromanagement. They can do so by providing resources that will allow these countries to build up their social and physical infrastructure. In this way they can eventually attract private flows, including foreign direct investment. The requirement for integrated action is clear. This is the way to cover the wide range of needs that mark societies in early stages of development. Economic, security, political, cultural, and other issues have no sharp lines of division and should be addressed in an integrated manner.

I firmly believe that a unified United Nations presence in the field could facilitate interagency coordination as well as coordination with nongovernmental organizations. I have committed myself to work toward a unified United Nations field presence. The experience of the United Nations in six newly independent countries of the former Soviet Union, where I asked the United Nations Development Program (UNDP) and the UN Department of Public Information (DPI) to set up a unified and coordinated presence, will be highly relevant. But in countries elsewhere, where a wide variety of development bureaucracies - national and international - are already well entrenched, the task of coordination is not easy, and current practices will be very difficult to change.

### **The Regional Level**

At the regional level, there must come a new recognition: regionalization can help coordination. Regional aid may be preferable to bilateral aid in many areas.

Regional aid follows practical needs wherever they may go, and does not stop at political boundaries - water, electrification, air transport and communication, hospitals and health delivery systems all call for regionwide answers.

Regional organizations would be reinforced - and recipients would benefit - if more aid came from, or through, organizations at the regional level. This would allow recipient countries to deal with one donor rather than with many. Such regional efforts often are more able to design an effective division of labor in the field of aid. Regional trade-offs can be seen more clearly, and the bureaucratic competition of the donors may be transcended.

The idea of channeling aid through regional organizations should be encouraged. Regional development banks can be the intermediaries to carry out this function in an efficient and effective manner. Donor governments should increase the capital of these banks to allow them to make more loans on concessional or nonrepayable terms.

Development aid that falls from the top directly to the bottom can, with the force of a waterfall, crush whatever lies under it. A terraced flow downward, level by

level, is more likely to serve the needs of those at the lower end. This approach can reduce the tendency of those above to micromanage those below. It can translate bureaucratic language into understandable terms. Every step must be taken to ensure that bureaucracy does not block the flow, or reduce the volume, of development aid as it passes through. This is an issue of governance.

### **The Case of Africa**

Regional cooperation and integration is a growing necessity everywhere. But in the case of Africa, it is absolutely essential for effective economic development. Because of their size and geographic location, the vast majority of African countries will remain economically unviable if they do not cooperate and coordinate with one another, particularly with their neighbors. But the emphasis on integration should not be restricted to goods markets, as in the unsuccessful efforts of the past. African countries need to coordinate their macro- and microeconomic policies and harmonize administrative rules and regulations. They need to cooperate on the joint provision of public goods, including infrastructure. Foreign aid and technical assistance must promote such efforts to make African markets more attractive to domestic and foreign investment. This will help to bring about economic growth and development, both at the national and the regional level.

### **South-South Cooperation**

Development assistance should encourage "South-South" cooperation within a framework of overall integration into the world economy. Where appropriate, donors should support programs, such as regional professional training, which will provide interaction among nationals of different countries of a region. Such has been the case in my own country, Egypt, which has served, for example, as an African training center during the last 14 years for nurses, police officers, harbor pilots, experts in rice cultivation, and so on. This has been achieved with the assistance of donor countries and international organizations.

## **An Agenda for Peace**

Regional arrangements and organizations have a new role to play for development and peace today. I stressed this in my 1992 report to the United Nations Member States entitled *An Agenda for Peace*. The Charter of the United Nations recognizes the importance of regional arrangements. It provides useful flexibility for undertakings by a group of states to deal with a matter appropriate for regional action. Such action is expected to relate to the maintenance of international peace and security, within the overall responsibility of the Security Council. In the world we see today, this regional role naturally extends to development. In *An Agenda for Peace* I put forward the idea of "preventive diplomacy" and "postconflict peace-building." This is an added dimension to regional cooperation.

Regional cooperation can and should be promoted through concrete projects. These can link two or more countries in a mutually beneficial undertaking. Such joint projects can promote regional economic and social development. They can act at the same time as a deterrent to confrontation and conflict among nations. This type of collaboration can also enhance post-conflict peace-building. The United Nations encourages a rich variety of complementary efforts. Just as no two regions or situations are the same, so the design of joint work and the division of labor should adapt to the realities of each case with pragmatism, flexibility, and creativity.

## **The Global Level: Changes at the UN**

At the global level, there is much room to improve coordination of development assistance, both financial and technical. I can tell you from first-hand experience how difficult the task of coordination is. I have been facing it with the United Nations, where duplication and overlap exist and where development policies can work at cross-purposes.

I am trying to establish better coordination among the agencies and programs. In the first phase of restructuring, I consolidated all development activities in New

York into a single Secretariat unit. Looking to the next phase of restructuring, I am now moving to distribute responsibilities between Headquarters and other UN centers, and among global and regional field structures.

The United Nations has a unique role to play in global development cooperation, provided that it takes up the double challenge of changing its thinking and its structure. And Member States must take up their responsibilities as well. Reform of the Secretariat and reform of the intergovernmental organs are two faces of the same reality. I attach great importance to reform of the Economic and Social Council (ECOSOC) of the United Nations. I have proposed a high-level mechanism to ensure that ECOSOC remains alert to world trends between the two ordinary sessions. And I have urged that ECOSOC address development issues that affect international security and bring them to the attention of the Security Council.

The position of Secretary-General carries with it the Chairmanship of the Administrative Committee on Coordination (ACC), one of the major instruments of ECOSOC. I have taken measures to streamline the ACC in order to strengthen development cooperation throughout the United Nations system.

### **Democratization and Communication**

Development aid must include support for the creation and strengthening of institutions of democracy. Democracy should be understood as the move toward better, more participatory government, perceived as such by the governed. Unless democracy takes root, violence, coups d'état, wars and general instability will recur, with an inevitable effect on socioeconomic development. This has been the case in many regions and countries of Africa. When peace is sought for its own sake, it will not last. The issue - economic, social, and political - that cause conflict in the first place must be addressed. This can be done only through institutions that allow the people to express their political will, employ their economic talents, and fulfill their social destiny. Time and time again, all across Africa, hopeful steps toward development have stopped because of

instability. This cycle can be broken only through the growth of democratic practices.

### **Democratization or Undue Intervention?**

Donors who may be ready to contribute to the construction of a bridge or dam or factory are hesitant to support - or do not see how to support - a free press, the creation of national civil police, or a fair court system. However, the development of infrastructure is unlikely to endure if the institutions that support the infrastructure are not also developed. Development requires credible legal, financial, and administrative institutions. The rule of law must be upheld. Basic mechanisms such as customs, banking, insurance, and courts to enforce contracts cannot remain vague. They cannot be left to the usual arrangements. Development assistance must create and support the building of institutions so that economic activity can take place in circumstances of transparency, accountability, and justice.

Can democratic institutions be supported without raising fears of undue intervention? I believe the answer is yes. The developing and the developed need to agree that such steps are needed. Regional arrangements can play a role in this regard.

### **Intellectual Freedom and Economic Progress**

In decades past, development was seen through economic lenses alone. Today we realize that it has many dimensions - political, environmental, cultural, social, and personal - in addition to economic. It is for this reason that we are increasingly associating sustainable development with democracy, speaking of the two as inseparable for success. It is through communication - and cultural intellectual exchange - that all these aspects can be brought together. It is not only because of the end of the Cold War that democracy is favored around the world. Democracy is seen in an increasingly positive light because the world has entered the age of information. Only democratic structures can foster the open

intellectual environment that the economics of this new era demand. Today, economic progress requires access to information, right of expression, and the necessity for popular participation.

Democratization and communication are thus inseparable, both are necessary for sustainable development. For Africa, they affect three central problems:

*Education* is desperately needed in Africa. Democracy requires an informed body of citizens able to communicate with each other and with their governments and to interact with the outside world. Democratization within a country creates a demand for education. A well-trained population attracts investment, stimulates demand, and supports technological change. In this sense, democratization is not only demanded by donors but welcomed by the ultimate recipients.

*Corruption* drains the life blood of many African societies. But when people are informed and able to express themselves politically, the removal of corrupt officials becomes possible. Only an informed and active public opinion gives governments the strength and sense of urgency to reform.

*Military establishments* take up a disproportionate share of national budgets in Africa. Democratization and communication make it possible to build popular support for putting national resources to better use. The reforms required by international leaders are at odds with the interests of entrenched and privileged groups. Political figures who seek reform by shifting financial resources from military to development purposes have a better chance of success and survival in an open democratic system.

### **Somalia: A Cautionary Example**

To reinforce the process of change, however, the outside world must act, urgently, to curtail the flow of arms to Africa. Steps toward development will go nowhere in the long run so long as the continent is filled with weapons - arms



that at any time can be used to tear down what has just been built up. Take Somalia, for example. There is a greater availability of arms than of food in Somalia. These arms were not manufactured in Somalia - they have no factories for arms. These arms were not even bought by Somalia - they were given by the outside world, to serve outside interests. The result is that in Somalia today there is no rule of law. There is no central authority. Relief workers are attacked for bringing in food and medicine. The situation is criminal. Those who provide arms could be considered as partners to the crime. The flow of arms to the developing world must be stopped.

### **Dealing with Emergencies**

Stability also requires an awareness, by donor and recipient countries alike, that emergencies will occur. The ability to deal with unforeseen events should be built into every development plan. Military confrontations, political tensions, major accidents, and natural disasters are, in one form or another, a reality. No plan is complete that does not take into account and provide for means by which the development effort can proceed without lasting disruption. This means planning for mechanisms to ensure a rapid and effective response to such events. Such planning should be coupled with preparations for immediate and discreet steps of preventive diplomacy or peacemaking as may be required.

Planning for accidents or natural disasters makes sense everywhere. In industrialized societies, infrastructures, financial institutions, resources and stockpiles all work to contain the crisis, and recovery can take place within a few weeks, or at most a few months, but there is no mechanism for crisis management in Africa. Throughout the developing world, planning for such contingencies is crucial. In lands where few or none of the elements of a safety net exist, an accident or disaster can ruin lives and even whole communities forever.

## **Unfulfilled Expectations, Reasons for Hope**

In this time of "compassion fatigue" we must be patient, realistic, and dedicated if we want to carry on. In Africa, colonialism collapsed in a few short years. This led to the expectation that, similarly, development could be created in a few short years. Today we know that we must be realistic. There exists no simple remedy that can remove the obstacles to development faced by African countries. Many years of assiduous effort will be required - within a new framework of cooperation - before Africa begins to feel the impact of change.

But realism need not bring resignation. It should give us the determination and the diligence to keep working at this vast problem.

There is reason to look up with hope. Authoritarian governments have given way to more democratic forces and responsive institutions. People can see that economic opportunity does exist beyond the narrow choices of the recent past. Conditionality is now a growing tool for change. Many governments make good use of it in their search for more open forms of economic policy. We have entered an era marked by a worldwide sense of dynamism and movement.

## **A New Vision of Development**

Above all, a new vision of development is emerging. Development is becoming a people-centered process whose ultimate goal must be the improvement of the human condition. "People-centered" means that individuals and families and the smallest local units of governments deserve full and well-coordinated international support. But it means that they must be left free to do the job without excessive regimentation from above. Requirements and standards must be put in clear and understandable terms, and the people then allowed to go to work.

The United Nations is the only institution capable of comprehensively addressing global problems in all their political, humanitarian and socioeconomic dimensions. In the new climate of international relations, we must not miss the opportunity to develop the necessary consensus and the necessary policy

instruments to do this job. There has never been a more evident need for an integrated approach.

Through many ups and downs, through many failures and too few successes, the spirit of development as a great human cause has been kept alive. Now we must do everything we can to turn that spirit into practical, visible progress for people in Africa, and people everywhere.

Development is everyone's job. No more fundamental cause exists today. I believe that we stand at the dawn of a time of unique achievement.

## **Designing International Cooperation for Accelerating Productivity Growth in Developing Countries**

*Uma Lele*

*Director of International Studies and Programs and Graduate Research  
Professor, University of Florida, Gainesville*

### **The Urgency of Increasing Factor Productivity**

The end of the Cold War and the ushering in of a young new administration of the post-World War II generation in the United States offer an important opportunity to explore the lessons of past experience in economic development and international development cooperation and to identify their implications for the future.

Tremendous accumulated knowledge currently exists of economic development processes and development assistance under highly diverse circumstances, covering a period of nearly half a century. The need to build on that past effort is more urgent than ever before because resources have become scarce, and their efficient use is of utmost importance even to maintain the gains made to date.

Lawrence Summers, the World Bank's chief economist, has observed that "two tenths of one percent increase in the total factor productivity in developing countries would do more for living standards than an additional \$100 billion

invested at historical rates of return" (Summers, 1992, p. 8). The important questions are:

1. Whether policy and institutional reforms will be fast and far-reaching enough in developing countries to achieve the necessary increases in total factor productivity; and
2. Whether industrial countries will make their assistance programs more responsive to the real needs of developing countries, to substantially increase their total factor productivity.

The economic development experience of the last several decades offers four essential lessons on development strategy that are relevant for increasing factor productivity:

1. The importance of broad-based agricultural and rural development involving a large number of small producers as the foundation of overall economic growth;
2. The importance of trade orientation, and a sound macroeconomic policy highly flexible in responding to rapidly changing external circumstances;
3. The critical role of the government in establishing an enabling environment for private initiative;
4. The importance of human capital and institutional capacity for the development and application of science and technology, and more generally, for learning by doing.

Countries highly successful in broad-based and rapid economic growth have been masters of these four lessons. Those that have been less successful neglected their smallholder agriculture and rural households, pursued a macro policy as if their peak national income rather than permanent income were the basis of expenditure decisions, and neglected the critical role of the government in facilitating private initiative while extending the governmental span of control to cover all and sundry activities. In turn, they overlooked the power of their own nationals and institutions to address complex developmental challenges by failing to support them adequately. percent increase in th

The experience with foreign assistance similarly offers three major lessons critical for assisting developing countries to increase their factor productivity:

1. The need to direct aid to address the issues of central importance to their development strategy;

2. The importance of highly selective, high-quality technical assistance and its deployment on a long-term basis to develop internal human and institutional capacity, with clear, attainable goals;
3. The central importance of cooperation among different assistance agencies geared towards addressing the substance of the development problem at hand.

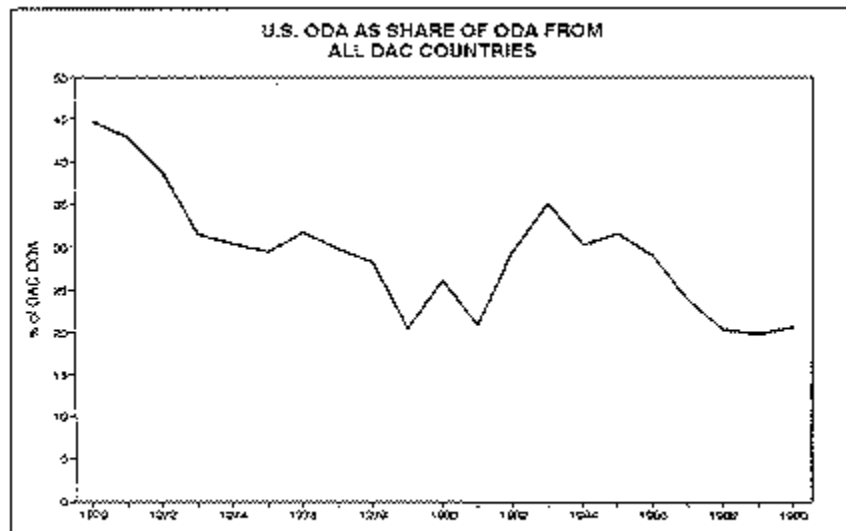
Far too large an amount of past external aid has yielded low rates of return. But there are excellent examples of small amounts of aid thoughtfully provided by highly qualified, experienced, and committed individuals and organizations over 10 to 15 years to transform the effectiveness of institutions and individuals in developing countries. Such assistance has yielded spectacular results (Lele, 1992). In each case, assistance has been geared to addressing a central development issue, rather than shifting from one new fad to another, and has involved effective partnership of several aid agencies and developing country nationals.

Translating these seven lessons into future actions is by no means an easy task. Major structural shifts have occurred in international economic relations, and in the domestic policy environment in the 1980s. Some of those shifts, such as the greater recognition of the importance of markets and the demand for democracy throughout the world, are positive developments. But these changes nevertheless pose new challenges. Others relating to trade, aid, and environmental issues present complex problems. In the sections that follow, these structural shifts are reviewed first to provide an overall context. The divergent performance of developing countries with regard to economic growth and poverty alleviation is then discussed. This paper then explores the reasoning behind the four economic development lessons and the three external assistance lessons highlighted in the introduction. It ends with a summary and conclusions.

### **The New International Context**

The international economic environment became more hostile to developing countries in the 1980s than it was in the 1970s. More disconcerting is the fact that, according to the World Bank, there is no sign that the situation will improve in the foreseeable future. *Official development assistance has stagnated* and

become more fragmented. Whereas the U.S. was a major donor in the 1960s, its share has declined considerably (See Figure 1). Instead, nearly 30 major assistance agencies and myriad minor agencies, each with different priorities, are active in development assistance (Lele, 1991). Many small African countries with little or no planning and implementing capacity devote more time and energy mobilizing external resources than in wrestling with internal development challenges. Figure 1. U.S. ODA as Share of ODA from All DAC Countries, 1970-1990.



Source: Calculated from OECD Geographical Distribution of Financial Flows to Developing Countries, various years; and Mellor and Masters, 1991.

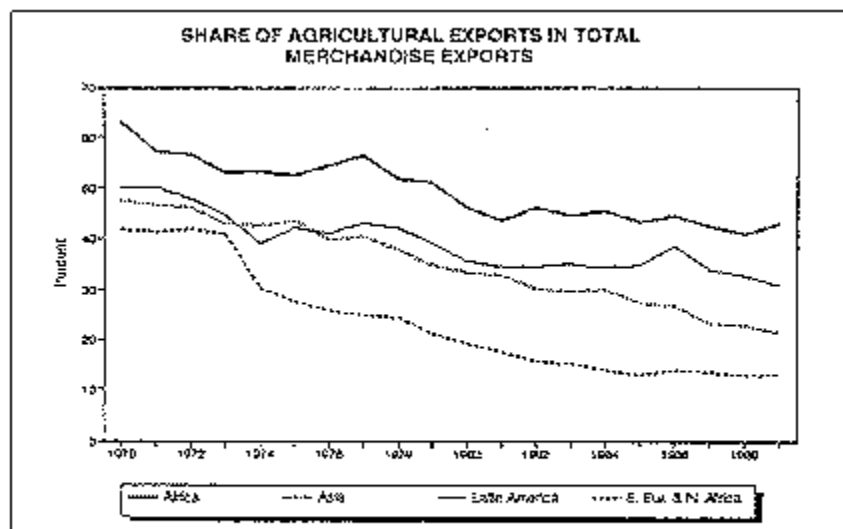
The fallout of the *debt crisis* is not yet over. Developing countries as a group are now making net contributions to developed countries, whereas prior to the debt crisis in 1982 they received net transfers of \$50 billion annually. Not only have large debt repayments reduced amounts available for domestic investment and recurrent expenditures, but debt overhang has created uncertainty about future returns to investment and discouraged *new* private capital.

Severe deterioration in the *physical infrastructure* of developing countries, resulting from low levels of investments over nearly a decade, poses a major additional constraint on attracting new capital. In the highly indebted developing countries of Latin America and Africa, as much as 13 to 14 percent of the annual

GDP, or over three-quarters of the total annual investment, is needed for replacement of infrastructure alone (IBRD, 1990).

*Commodity prices* are currently at their lowest level. This particularly affects Africa and Latin America. Their share of agricultural exports in total exports has declined less rapidly than in Asia, quite paradoxically because they neglected their agriculture (Figure 2).

*Increased volatility of commodity prices* is also a problem; they have fluctuated over a range of more than 100 percent in the last decade (Summers, 1992). This causes major disruptions in export earnings and government revenues, making planning of resources on a year-to-year basis a mockery. This is a particularly serious problem for small open economies. Figure 2. Share of Agricultural Exports in Total Merchandise Exports, for Selected Regions, 1970-1989.

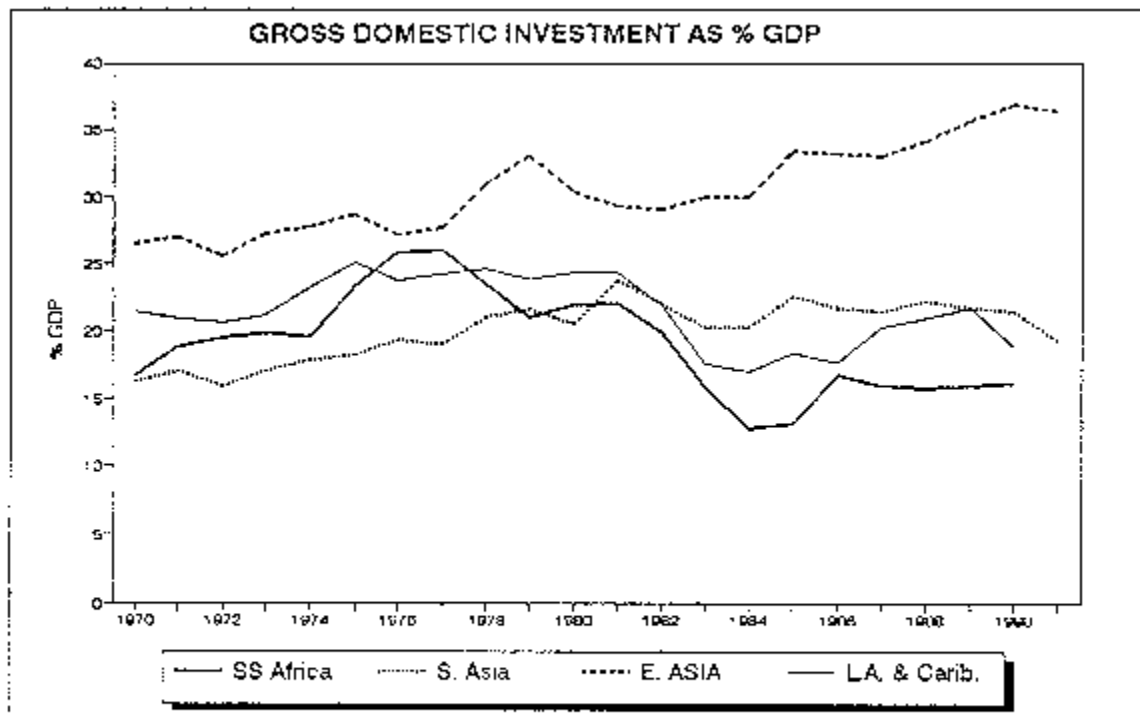


Source: Calculated from FAO Trade Yearbook, various years; and World Tables, World Bank, various years.

*Protectionist tendencies* are on the increase, just at the time when developing countries are liberalizing their trade regimes. The Uruguay round has stalled, and regional trade agreements in North America and East Asia threaten to reduce market access of developing countries not included in those trading arrangements. The ability of developing countries to increase imports clearly depends on their ability to export, as the example of successful East Asian countries illustrates.

Several problematic effects of these international circumstances on developing countries are evident. For the first time since World War II, *investment rates measured as a share of GDP have dropped* significantly in developing countries, most notably in Africa, but also in Latin America. East Asia is the major exception, leading us to ask why (Figure 3, next page).

The *environmental movement* has challenged the intellectual foundation of the traditional economic development processes, such as the increased use of modern inputs to intensify agriculture. This is a particularly serious problem for Africa, where the use of modern inputs is already the lowest in the world. Without modern inputs to raise agricultural factor productivity, extensive agriculture necessitated by rapid population growth threatens further encroachment of fragile lands, causing a different sort of environmental problem. Yet there is little understanding of the interactions between population growth, agricultural productivity growth, and the environment. Figure 3. Gross Domestic Investment as a Percentage of GNP for Selected Regions, 1970-1991.



Source: World Tables, 1992, World Bank, Johns Hopkins University Press, Baltimore, Maryland.



*The forces of democracy*, while conducive to individual initiative once established, have reduced the political stability essential to attract new domestic and foreign capital.

Apart from these *objective* structural changes in international economic and political relations, there is a complex subjective change in the industrial world. That change will critically determine the boundaries of future international cooperation. There is *widespread apathy about international development* issues. It is a radically different situation from that which prevailed until the end of the 1970s. The end of the Cold War, the attraction of the new, erstwhile communist, kids on the block, the continued domestic unemployment, the fear of increased international competition and international migration, and, not the least important, aid weariness have all resulted, in the industrial world, in a decline in interest in the problems of economic development in developing countries.

Yet, historically unprecedented rates of growth have been achieved by many developing countries, most notably in East Asia, compared to their industrial country counterparts a century ago. How different is the performance of Asians compared to the others, and how does it relate to the seven lessons highlighted earlier? **Table 1. Average Annual Growth Rates in Population, GDP, and per Capita GNP for Selected Regions, 1965-1990**

Region	Population			GDP			Per Capita GNP		
	1965-73	1973-80	1980-90	1965-73	1973-80	1980-90	1965-73	1973-80	1980-90
Sub-Saharan Africa	2.7	2.8	3.1	4.8	3.2	2.1	1.6	0.6	-1.1
East Asia & Pacific	2.6	1.7	1.6	8.1	6.6	7.9	6.1	4.8	6.3
South Asia	2.4	2.4	2.2	3.6	4.2	5.1	1.2	1.8	2.9
Mid East & N. Africa	2.7	3.0	3.1	7.7	3.9	2.9	6.8	1.0	-1.5
Lat. Am. & Caribbean	2.6	2.4	2.1	6.5	5.0	1.6	4.8	2.3	0.5
Low- & middle-income	2.5	2.1	2.0				4.3	2.6	1.5

SOURCE: World Development Reports, 1991 and 1992

**Table 2. Increase in Estimates of Poverty in the Developing World from 1990 to 1992**

	—INCIDENCE (%)—			—NUMBER (millions)—		
	1985	1990	2000	1985	1990	2000
<u>1990 est.</u>						
Sub-Saharan Africa	46.8		43.1	180		265
South Asia	50.9		26.0	525		365
East Asia	20.4		4.0	280		70
Mid East & N. Africa	31.0		22.6	60		60
Lat. Am. & Caribbean	19.1		11.4	75		60
<u>1992 est.</u>						
Sub-Saharan Africa	47.6	47.8	49.7	184	216	304
South Asia	51.8	49.0	36.9	532	562	511
East Asia	13.2	11.3	4.2	182	169	73
Mid East & N. Africa	30.6	33.1	30.6	60	73	89
Lat. Am. & Caribbean	22.4	25.5	24.9	87	108	126

SOURCE: World Development Reports, 1990 and 1992

### The Record of Economic Development

In his famous book, *The Asian Drama*, which was widely followed in the early 1970s, Myrdal (1968) had predicted poor prospects for East and South Asian countries. He argued that absence of democracy and pervasive corruption in that region were major constraints on growth. However, growth in East Asian countries has been the most dynamic, followed by that in South Asia (See Table 1). The East Asian success is reflected both in fast growth rates of GDP (often exceeding 6 to 8 percent annually) and the rapid decline in the growth rates of population. Child mortality rates have been lower in China and Sri Lanka than in New York and Washington, demonstrating that with investment in social sectors, it is possible to improve public health without high levels of per capita income. Latin American and African countries, on the other hand, have experienced decline in their per capita incomes for two successive decades (See Table 1). However, there are signs of recovery in early adjusting countries that have received three or more adjustment loans (Corbo et al., 1992). In the African case, the decline is due both to slow growth in GNP and an accelerated population growth, whereas population growth rates have declined throughout the rest of the developing world.

In 1985, almost half the nearly one billion poor, those who earn less than a dollar a day, lived in South Asia, another 280 million in East Asia, 180 million in Africa, and 80 million in Latin America. East Asia will have reduced the number of poor radically by the year 2000, if present trends of economic performance continue, but the numbers are predicted to show a dramatic increase in Africa and South Asia, and those predictions have become more pessimistic in the last two years (See Table 2). Of course, regional groupings such as these, while useful for comparison, mask important intercountry differences. For instance, even with a general decline in Africa, Botswana, Mauritius and Kenya performed well. How should priorities for assistance be determined under these circumstances, particularly given the competing demands of the former Eastern Bloc countries? Clearly, different parts of the world need attention, each for quite different reasons - e.g., the former Communist Bloc for strategic reasons, given its nuclear arsenal and the ethnic tensions fueled by slow economic growth; Latin America and North Africa because of the international migration and increased social tensions their slow economic growth is prompting in the industrial world; and South Asia and Africa because of the pervasive existence of oppressive poverty. But given its low and declining per capita income and inadequate physical and institutional infrastructure, Africa is clearly the greatest development challenge to the international development community.

Obviously, growth in each of these regions will provide a substantial stimulus to the economies of industrial countries. The increase in U.S. exports in 1991 over 1990, for instance, was clearly related to the recovery in Latin America and Asia. Yet past experience also shows that large amounts of per capita aid tied to inappropriate technology and less-than-qualified technical assistance from industrial countries in the absence of a *long-term economic development strategy* achieves little growth (Lele and Nabi, 1991; and Lele, 1991). On the contrary, such external aid often causes effects similar to those caused by commodity booms, and yet does not lay a foundation for future growth (Collier, 1991). It is for

this reason that we need to appreciate the fundamental importance of a long-term economic development strategy, to which we now turn.

### **Lessons from Development Strategy at the National Level**

Four basic development strategy lessons emerge from the economic development experience of successful developing countries. Each has proven to be quite robust:

1. The fundamental importance of *smallholder agriculture and rural development* as the foundation of overall economic development;
2. The importance of *export orientation*;
3. The central importance of the *government* in putting in place long-term policies that will foster private initiative;
4. The importance of a complex network of *human and institutional capacity*.

### **Agricultural and Manufacturing Sector Strategy**

For countries at an early stage of development, agriculture dominates in employment, income, food and export production, government revenues, savings, and investment. Broad-based agricultural and rural development is at once an efficient and equitable strategy, since there are no scale economies in agricultural production. Increasing food, livestock, and export crop production, involving a large number of small farmers, and ensuring a balance between productive and social sectors is the best way of alleviating poverty, since much of the poverty occurs in the rural sector, and since agricultural and rural development generates considerable employment and income. An agricultural and rural development strategy also generates strong linkages with the urban manufacturing sector as it creates demand for the goods and services produced in the domestic industry.

An effective agricultural strategy tends to be an export-led strategy, since at an early stage of development agricultural exports constitute an important share of total exports. It is the best environmental strategy, since by increasing land productivity it reduces pressure on marginal lands, and through a more balanced

regional development it avoids mega-urban industrial complexes. As prosperous agricultural areas are transformed into semi-urban centers of commerce and manufacturing in the course of industrialization, an agricultural strategy retains household in the urbanizing rural areas. Finally, it ensures increased participation of women, who are the bulwark of agriculture, while avoiding the migration of men to enclave industrial centers.

An import substitution strategy, in contrast, creates little employment and tends to foster linkages to external industry by creating investment and consumption demand by a limited number of industries and households mainly for imported items. An import substitution strategy is the classic dualistic strategy, which divides urban and rural areas.

As economies develop their agriculture, *an export-led manufacturing strategy* plays up to the most abundant factor of production. In developing countries, the abundant factor tends to be labor. An export-led manufacturing strategy leads to a continued rapid growth in income and employment with relatively small incremental growth in units of capital relative to labor. Such a strategy results in a gradual transition of economies into the manufacturing of more advanced industrial products. These tend to be more demanding of skilled labor over time. Apart from the direct effects of an export-led strategy on rapid growth of GNP and exports, an export-led strategy indirectly creates a healthier economy through competition, innovation, and improved product quality.

## **Asia**

South Korea, Taiwan, Malaysia, Indonesia, Thailand, and China have all been successful in both their agricultural and manufacturing sector strategies, which explains their impressive broad-based overall economic growth. Their concurrent investment in the social sectors has produced a healthy and well-educated labor force. Both the economic and social strategies have increased the value of women's time and have provided greater incentive to substitute the quality of children for quantity. This explains the rapid decline in the growth rates of their

populations through reduced infant and child mortality, and the consequent lowering of fertility, as women need to bear fewer children to ensure that they survive.

South Asia has been successful in the development of its agriculture, but it has lost time in accelerating industrial growth by delaying economic liberalization and undertaking it on a piecemeal basis. That explains its slower economic growth. It has also invested less in the social sectors, which explains its smaller decline in population growth rates.

### **Latin America**

The record of Latin America is mixed. Often, acute import substitution policies have accentuated the already substantial inequalities in asset distribution in Latin America. A development model based on the productivity and incomes of a large number of small farm households and labor-intensive manufacturing that eventually uplifts the entire economy is a far cry from the reality of much of Latin America. While Chile and Mexico have undertaken major policy reforms, like South Asia, much of the rest of Latin America has been slow to adjust.

### **Agriculture to Industrialization - What and How**

Although there is great knowledge and agreement on *what* strategy the successful developing countries have pursued, there is little knowledge of *how* they have done it. This is particularly true of the fundamental roles their governments have played in fostering private initiative, and the investments they have made in the development of human capital and individual entrepreneurship. A fact often overlooked is that generating an agricultural revolution requires a more complex and sophisticated network of private, public, and community-level institutions that work in partnership than does the establishment of enclave modern industrial complexes. Successful agricultural development, therefore, not only precedes successful industrialization, but it provides an important *learning by doing* experience for governments, which makes an invaluable contribution to

the development of the rest of the economy. It is not an exaggeration to state that countries that have modernized their smallholder agriculture typically then have in place the capability to industrialize rapidly, provided they do not become hostages of their protected industries and labor unions.

### **The Role of the Public Sector**

For the agricultural revolution to precede industrialization in this manner, the public sector needs to play an active role in providing a conducive environment for small farmers to invest in agriculture. This is due to the peculiar nature of the agricultural sector. The dispersed nature and the high degree of diversity of small farm production conditions require investments in location-specific agricultural research and technology and its extension. The establishment of the physical infrastructure is similarly critical for the development of factor and product markets. Such investments tend to be uneven, which individual farm households cannot afford. Their benefits take a long time to materialize and are difficult to capture for individual households. These various characteristics of investments provide a classic case for the provision of the so-called "public goods." Thus, the "nonprice" interventions governments make at an early stage of development tend to be as important in the development of agriculture and the rural sector as is the provision of the right price incentives. These latter have been the center of attention in the course of structural adjustment in the 1980s (Lele, 1992).

Two conceptually distinct types of government action are important at early stages of development: the relatively *noncontroversial* public goods activities described above and the currently more *controversial* activities, which in a more developed economy would ideally be undertaken by the private sector. At an early stage of development, physical infrastructure tends to be limited, and factor and product markets are nonexistent, incomplete, or interlinked. This means that activities such as money lending, land rentals, the sale of inputs, and purchase or processing of output often tend to be carried out by the same few actors with a disproportionate market power. This does not offer the competitive market

environment ideally desired. *Interlinked and oligopolistic markets* have a particularly adverse effect on the participation of the poor in the growth process and can undermine the very process of broad-based agricultural and rural development that is so critical to a broad-based economic growth.

Given these conditions, governments of industrial and successful developing countries alike have stepped in to accelerate the process of agricultural and rural transformation. They have done this, for example, through the directed provision of agricultural credit, the supply of modern inputs, and the stabilization of producer prices to reduce the risks involved in the adoption of new production technology and of consumer prices as a way of stabilizing the incomes of the poor households (including by now millions of rural poor). Since the poor spend a large share of their income on food and are vulnerable to real income reduction through food price increases, they need protection. Not only are agricultural prices inherently more unstable than industrial prices, but the decline in the physical infrastructure and the fragmented nascent markets referred to above make prices more volatile. The political and psychological effects of high price instability on producers and consumers alike can be devastating. This is why there is not a single developed country that has not stabilized its agriculture prices, no matter what the latest economic theories say or how small the share of food in the total budget expenditures of consumers.

The industrialization experience of successful developing countries also suggests that their impressive growth of manufacturing is not simply the result of ensuring market exchange rates, low tariffs, and low and stable inflation rates, although such macroeconomic stability is crucial. In countries such as Japan, Korea, and Taiwan, governments have played an active role in supporting targeted industries by ensuring their access to the critical technology, imported production inputs, abundant working capital, the enforcement of quality standards, and so on (Rhee et al., 1984). The main lesson of the successfully industrialized countries is *not* that governments have left everything to the market, but rather that they have been highly selective in their interventions, leaving the rest to private initiative.



Moreover, they have been highly flexible in their responses, making learning-by-doing an art. In short, the governments of rapidly developing countries have been highly sophisticated in managing the levers of the economic development process.

Government interventions have justifiably come under criticism in most developing countries, particularly in this period of resource crunch, on grounds that they cost too much, benefit the wrong groups, obstruct rather than facilitate market development and take scarce resources away from other high priority activities. Moreover, governments tend to have limited financial and administrative capacity to perform such functions, particularly at an early stage of development. Many of these criticisms are valid. Governments of some developing countries have been managed by elites who have not represented the interests of their own people.

### **Increased Accountability**

The process of democratization is, however, leading to a change in that state of affairs, with increased demand for accountability. We urgently need research on how to minimize the costs of some of these essential services by increasing competition when necessary between the private and public sectors, without recourse to a rigid ideology, for it is unlikely that agriculture or manufacturing will develop rapidly in the now slowly developing countries without an active developmental role of governments. The most important challenge for the future is not to make the private sector more efficient, but to make governments more effective, selective, and proficient so that private initiative and competition can thrive.

### **Human and Institutional Capacity Building through Aid Coordination - Lessons from Agricultural Productivity Growth in Asia**

The supply of both the public goods activities (such as research and infrastructure) and the market intervention activities (such as price or supply

stabilization) are now in question in developing countries. Together, the absence of both these public actions seriously threatens the prospects for rapid and broad-based agricultural and rural growth, particularly in the least developed countries, and particularly for those in Africa.

The economic development experience calls for a fundamental reassessment of some of the lessons learned in the 1980s, one of which is reviewed below in the context of the experience of the more successful Asian countries. For reasons of space, the focus here is on a relatively uncontroversial public good - the provision of agriculture research. I have examined the type of role that external assistance played in simpler days, i.e., those of fewer donors with a clearer subset of development objectives than is true today. The example cited of agricultural research in Asia was repeated in the Tea Development Authority in Kenya and cotton development in former French West Africa, and thus its principles have been shown to have general applicability (Lele, 1992).

### **Early Partnerships for Development**

In the 1960s, when the U.S. was the dominant donor and the need for aid coordination was relatively limited, a strong partnership nevertheless existed among private U.S. foundations committed to economic development (particularly the Rockefeller and Ford Foundations), the USAID, and the U.S. universities. Together they played a singularly important role in helping Asian countries to make a quantum jump in the productivity of their agricultural research systems. The objective of their intervention was to increase food production so as to eliminate food shortages and famines created by recurrent droughts. The droughts not only resulted in frequent incidence of massive deaths, but by pushing wage costs up and causing burdens on the balance of payments, food shortages were setting back the process of industrialization in much of Asia.

The U.S. helped to improve the returns on the investments in agricultural science and technology by helping Asian countries to restructure their National

Agricultural Research Systems (the so-called NARS). Instead of being managed by administrators, the restructured NARS began to be managed by scientific leaders. They were assured of the necessary financial resources on a predictable basis and given the administrative autonomy to plan and implement their work plans.

A large number of scientists from developing countries were also trained on U.S. university campuses. Through active involvement of qualified U.S. scientists in the revamping of the research organizations and managements of the NARS, Asian scientists not only began to develop new scientifically attainable work programs in which they could apply their newly acquired skills, but they also developed an incentive system, which evaluated their performance based on scientific criteria (Lele and Goldsmith, 1989).

### **Holistic Approach and a Clear Goal**

In short, it was not simply the new seed varieties of wheat and rice imported from Mexico and the Philippines, as is generally believed, nor indeed even the breeding techniques imparted to Asian scientists through their education and training on the U.S. university campuses that explains the generation of the Green Revolution. Rather, it is the holistic approach to research capacity development based on the clear objective of rapidly eliminating hunger, and the partnerships among aid-giving agencies to achieve that objective, that transformed the NARS, enabling them to achieve a quantum jump in their research productivity. Between 1965 and 1975, the Asian NARS generated location specific technology which was adapted to literally thousands of villages in Asia within a period of ten years.

The partnership of aid agencies also ensured that the policy and the institutional framework necessary to the adoption of that technology by a large number of small farmers (including an active role for governments in price stabilization, input, and credit delivery) was in place. A strategy and a policy framework for

agricultural development was crucial in generating the Green Revolution, and donor conditionality helped to put it in place.

### **Comparison with Africa**

Comparing the Asian experience with contemporary Africa is not easy. Challenges in Africa are much larger, and therefore the need for a clear set of objectives, vision, and coordination is even greater. By taking account of these complexities, I have documented elsewhere that whereas the equivalent of \$23 million in constant 1983 U.S. dollars spent by the Rockefeller Foundation in India (then with a population of 550 million) had a large impact, the \$108 million spent by donors in Senegal (with a population of 8 million) as the first phase of a long-term agricultural research project had very little impact (Lele and Goldsmith, 1989).

The strong demand among Asian policymakers for improving their indigenous science and technology capacity was, of course, a *sine qua non* for the Asian success. That demand was prompted by the frequent and severe food shortages that undermined political stability and the drive for industrialization. Such a persistent and well-articulated demand for indigenous capacity development has been by and large lacking in Africa. It has become weaker even in Asia now that the food problem is believed to be "solved" although, as we indicated earlier, the incidence of poverty remains massive, particularly in South Asia. Moreover, since much of this poverty is in the rural sector, agricultural intensification and the related development of ancillary rural industry will be critical in the reduction of poverty. Yet, for reasons explored later in this paper, attention to agriculture is now waning prematurely in South Asia.

Asia was also fortunate to receive the advice of some of the most qualified international scientists. Moreover, it benefited from their involvement in her research systems over a relatively long period of 10 to 15 years (Lele and Goldsmith).

## **CGIAR - A Question of Replicability**

How replicable is this model of science and technology capacity development?

The Consultative Group on International Agricultural Research (the CGIAR), which is an "informal" grouping of nearly 50 interested and committed governments and private foundations, was created precisely with the intention to replicate the Rockefeller, Ford, USAID success in agricultural research in Asia and to apply it in other parts of the developing world, particularly in Africa. Nearly 40 percent of the CGIAR system's annual budget of about \$300 million is spent on Africa through support of 18 International Agricultural Research Centers (the so-called IARCs).

The CGIAR is justifiably viewed as a highly successful institutional innovation, as can be seen by the fact that professionals in public health and environmental management have aspired to emulate the model. But to date they have been unable to mobilize the necessary international financial support for an equivalent institution. Hence, the review of the CGIAR system and the lessons it offers are particularly pertinent at a time when environmental preoccupations have relegated agricultural development to the background. Moreover, AIDS and malaria have become rampant in developing countries, particularly among the poor, calling for urgent deployment of science and technology to abate the health problems.

## **Success and Stagnation**

The CGIAR can boast many successes in specific research results, e.g., the development of cassava varieties which have resulted in the doubling of yields without additional inputs; the hybridization of maize, sorghum, and potato varieties; and the nearly 45,000 developing country scientists trained in short- and long-term training programs. But it has not been able to rejuvenate the NARS to maintain the rates of productivity growth prompted by the earlier U.S. assistance. Moreover, there is now general agreement among agricultural research scientists that yields of important crops such as rice have peaked on the farmers' fields. Yet

the CGIAR's research on the adoption of modern technology on the farmers' fields has been limited. It does not have the mandate to be concerned about adoption of technology. That is the responsibility of national agricultural research and extension systems. But even given the CGIAR's existing mandate, research breakthroughs of the type and on the scale realized before the Green Revolution are not on the horizon in the 1990s. Apart from the purely scientific factors, a major constraint, once again, is the ineffectiveness of the NARS and the agricultural policy framework in developing countries. The strengthening of NARS is crucial because even with the current highly constrained resources, the totality of the resources commanded by the NARS are vast in relation to the CGIAR system.

However, even mature and relatively well-managed Asian (e.g., India, Indonesia) and Latin American (e.g., Brazil, Argentina, and Mexico) NARS are now stagnating. The task of developing NARS has, of course, not even begun in Africa, although large sums of money have been devoted by donors to their development, and the Special Program on African Agricultural Research (SPAAR) is developing regional research priorities (Lele and Goldsmith, 1989). Several reasons explain the stagnation. Governments occupied by macroeconomic difficulties and strapped for financial resources have (once again) relegated agricultural research to the background. Research organizations and their management systems need revamping.

At a time when major changes in the structure of agricultural science, such as the increased use of gene manipulation techniques and other scientific breakthroughs used in plant breeding, need to be absorbed in research methods, many managers of developing country research systems do not have the necessary state-of-the-art know-how. Neither the training of scientists, nor the organization and the management of NARS, nor their incentive systems can maintain their high productivity. Most NARS are sadly lacking the recurrent resources needed to pay the wage bill, or to carry out even the most basic research trials. Since agricultural scientists have the least voice in policymaking

even in the best of circumstances, in the period of budget crunch their plight is lamentable indeed.

### **Is Privatization the Answer?**

Privatization of research has become a new buzz word as an answer to these problems. Yet little analysis has been done of agricultural research systems in developed countries to explore why, for instance, a large part of the agricultural research system in the United States is still managed by public Land Grant colleges, which are largely accountable to commodity groups.

### **Sources of Failure**

Why is the \$300 million CGIAR system not able to do the job that U.S. science performed earlier? First, for better or for worse, the CGIAR system has placed its basic priority on producing demonstrable research results, rather than ensuring that NARS are able simultaneously 1) to generate research results on a large enough scale to meet location- specific needs of millions of small farmers, and (2) to ensure their adoption on farmers' fields. That task is left to the governments. Second, although the CGIAR has carried out training of a massive number of developing country researchers, it is not the mandate of the CGIAR system to improve the productivity of the NARS by improving their organization, management, or work programs. Assisting national governments in that task is the responsibility of the 30-odd disparate donors who finance the NARS. There is little coordination among them, or indeed, within the individual aid agencies - for example, between their bilateral wings that assist individual NARS and the multilateral wings that contribute funds to the CGIAR system.

In the donor-financed projects in support of individual NARS, the *substance* of agricultural research receives little, if any, attention relative to that devoted to the production of research master plans, the construction of buildings and laboratories, the provision of hardware, the supply of technical assistance, the disbursement procedures, and so on. Much of the technical assistance provided

by individual donors is inexperienced and short-term. There is little institutional memory. All too often technical assistance works in isolation from national researchers and, indeed, even from the technical assistance funded by other donors. There is no scientifically vetted national agricultural research strategy that *precedes* the commitment of millions of dollars by donors, or where implementation constitutes the central objective of most donor-funded research projects, which is in sharp contrast to the pre-Green Revolution days in Asia. This is in part because the process of aid funding has been separated from its scientific content.

Whereas many developing country nationals are now trained in agricultural research (their supply is now abundant), the most qualified often staff CGIAR centers or the universities of the U.S. and other industrial countries. The most committed and best-trained scientists operating in developing countries often lack the necessary budgetary resources, and the newly trained lack experience in the conduct and management of agricultural research. Consequently, they lack the self-confidence necessary to appreciate the valuable contribution that networking with other qualified and more experienced research scientists can bring, particularly in view of the large disparities in the facilities they and their developed country counterparts enjoy. It is no wonder then, that concerns about national and ethnic sovereignty often mar discussions of scientific priorities or international cooperation in science. Yet it is striking to note the extent to which matters related to research conduct and research management, or the steps needed to make indigenous research scientists productive, are relegated to the background by both developing country policymakers and their national science leaders.

### **Improving Agricultural Research**

Clearly NARS and other science establishments in developing countries are in need of major assistance. NARS managers, donors supporting NARS, and those supporting the CGIAR system need to come together. They need to develop a



coordinated approach, the clear objective of which should still be to improve the lot of the millions of small farm households and poor consumers in developing countries. There is much potential to utilize the resources of the U.S. university system in such an endeavor through long-term collaborative arrangements, involving mutually beneficial scientific collaborations. Such arrangements existed in the 1960s, but they were more paternalistic than they now need to be. The resources of the U.S. university system are vast. The budget of the entire CGIAR effort for the developing world as a whole is only five times as large as the agricultural research effort in the single state of Florida, which has a population of only 12 million. A single department of soil sciences in a major U.S. university has more soil scientists than the entire CGIAR system. Except for occasional consultations by individual faculty, the U.S. universities are no longer in the loop of the CGIAR system, although a great deal of U.S. agricultural research has benefited from collaborations and access to genetic materials from developing countries.

The reduced U.S. input in international agricultural research is a result of the failure of U.S. assistance to live up to the U.S.'s well-established comparative advantage. It is also the result of changing fashions in international development assistance, which has resulted in too many short-term shifts from agricultural development, to macroeconomic reforms, to environmental management, rather than viewing each of them as part of an overall economic development challenge. Such shifts have resulted in the replacement of specialists, with the knowledge and expertise in particular aspects of economic development, by generalists. They are better able to deal with the changing styles of development aid. This is not a problem that afflicts U.S. assistance alone, but rather more generally the myriad bilateral and multilateral agencies. They have had to be increasingly responsive to the pressures of their domestic constituencies rather than to the real needs of developing countries.

For instance, ensuring long-term participation of U.S. universities will require a fundamental change in the attitudes of university administrators and U.S.

legislators. They have created an academic environment in which international work is inadequately recognized and rewarded, often perceived as foreign boondoggles or as threatening the national self-interest by increasing international competition.

Clearly, issues of economic development need renewed attention from the political economy perspective. This is particularly urgent because agricultural development has been placed on the back burner. The failure of the integrated rural development activities of the 1970s, the macroeconomic difficulties of the 1980s, the declining international prices of agricultural commodities, the lack of support for the role of governments, and environmental concerns all have caused the decline of public investments and a turning away of public policy attention from agriculture in developing countries, even though it is the most effective foundation for their equitable growth.

### **Summary and Conclusions**

In this paper I have outlined why improving factor productivity in developing countries should be the basis of future economic cooperation. Resources have become scarce, and the international economic environment has become more unfavorable to developing countries than before. Further, there is no sign that the situation will improve in the near future. This, then, provides the basis for increasing factor productivity as the focus of economic development strategy and external assistance.

The differential performance of developing countries under these difficult international circumstances, and particularly the success of countries in East Asia, suggests that a sound development strategy and a small amount of thoughtful economic assistance can make a significant difference to factor productivity.

That strategy calls for smallholder agriculture as the centerpiece of economic development, a strong role for an export-oriented, labor-intensive manufacturing sector, considerable investment to human capital and institutions, and an active

and intelligent yet flexible role for the government on a highly selective basis to create an enabling environment for individual initiative. Those have been the ingredients of success in countries that have experienced rapid and broad-based economic growth.

The most successful cases of development assistance have involved deployment of assistance in a coordinated manner for the development of human and institutional capacity, with a view to increasing productivity, and to achieving clear and simple developmental goals in a well-defined period. A sustained partnership among private foundations, universities, aid agencies, and international institutions has been its essential feature. Such a partnership is aimed at alleviating clearly recognized bottlenecks in the pursuit of definite and attainable goals that fit well into the country's development strategy.

Successful external assistance has typically been of high quality and has been based on the comparative advantage of donors and has involved considerable knowledge of local circumstances. It has been provided on a long-term, consistent basis, and it has involved genuine demand for such assistance from the recipients, together with a high degree of active recipient participation.

Provided that such conditions can be recreated, there is abundant evidence that a small amount of development assistance can be highly productive. However, since large amounts have been wasted, the challenge is to create those preconditions.

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## **PART II Highlights of the Working Sessions**

During the conference, three working sessions were held. In these sessions participants added their own views to those expressed in the keynote addresses

(see Part I). Each working session consisted of several invited statements followed by general discussion among all participants. In Part II, the working sessions are summarized, and highlights of each session are listed.

## **A Vision of the Future: Key Issues for New Partnerships in Development**

**Friday Morning, Dec. 4, 1992**

**Chair: Jimmy Carter**

On Friday morning, immediately following a press conference to release the Carnegie Commission on Science, Technology and Government's report, *Partnerships for Global Development: The Clearing Horizon*, the meeting opened with a keynote address by Professor **Uma Lele**, Graduate Research Professor of International Development Economics and Director of International Studies and Programs at the University of Florida (see pages 21-35 for the full text of her address). Professor Lele addressed the question "What Lessons Have We Learned from Development Successes and Failures?"

After Professor Lele's address, **President Jimmy Carter** noted that leaders of developing countries often tell him that the debt burden is of most concern to them in charting the future of their countries. Twelve years ago, a net transfer of about \$35 billion occurred from rich countries to poorer countries. More recent figures indicate that, today, there is a net transfer of \$60 billion from the poorest to the richest people on earth.

*"The United States is a world leader ... and that position carries responsibility. All the citizens of this country must ... understand this." - Olusegun Obasanjo*

President Carter said that the debt burden varies: in many sub-Saharan African countries, the debt is 110 percent of the gross national product. In Latin America it is 42 percent, and in Asia it is about 20 percent. When a country is struggling with instituting democracy or with new-found peace or with social problems, it is

discouraging to realize that not even the GNP for the entire nation will be able to pay the debt. As the debt burden is reduced, there needs to be more caution, efficiency, cooperation, and justifiable restraint on accumulating new debt. In the past, there was a tremendous flow of cash into developing countries. Many countries spent a great deal of this cash on weapons; only a few made sound investments in infrastructure. Now, the successors to those often militaristic governments must bear the burden of repayment of those debts.

### **Opening Statements**

The session continued with invited remarks from Cheddi Jagan, President of Guyana; Kassu Yilala, Special Advisor to the President of Ethiopia; and Olusegun Obasanjo, former President of Nigeria and current Chairman of the Africa Leadership Forum.

**Cheddi Jagan**, the newly elected President of Guyana, said that the international donor community had presented two conditions for financing development assistance in Guyana: that free and fair elections be held, and that an economic recovery plan be generated (with the agreement of the International Monetary Fund and the World Bank). These objectives have been achieved. President Jagan outlined eight areas of importance to the future of Guyana, as well as to the future of all developing nations:

*"The most successful cases of development assistance have involved deployment of assistance in a coordinated manner for the development of human and institutional capacity, with a view to increasing productivity, and to achieving clear and simple developmental goals in a well-defined period." - Uma Lele*

- Increased development assistance to rebuild the infrastructure and to alleviate poverty;
- Relief from the huge burden of foreign debt;
- Structural adjustment with a human face;
- Increased foreign investment;
- Removal of tariff barriers;
- Building of human capacity;

- An end to racial discrimination; and
- Accelerated development of marginalized peoples.

President Jagan illustrated the size of Guyana's foreign debt problem by noting that 94 cents of every dollar of revenue goes to pay foreign debt. In addition, about 70 percent of the revenue generated from foreign export goes to pay foreign debt.

**Kassu Yilala**, Special Advisor to the President of Ethiopia, presented a statement from President Meles Zenawi of Ethiopia, illustrating the reform program that Ethiopia has initiated to bring about the improved development of that country. Some 29 political organizations and groups reached consensus on what was needed to revitalize Ethiopia's economy. This plan focuses on giving priority to rural development, strengthening development already under way in urban areas, and stressing the role of education in generating, training and empowering a labor force able to provide the work skills of the future. Of critical importance is the involvement of the rural community in rural development: only a program based on ownership by the local community can have a reasonable chance for success. Regional cooperation is also essential.

**Olusegun Obasanjo**, former President of Nigeria and current Chairman of the Africa Leadership Forum, noted that the self-effort of a country, and not development assistance, should be the main instrument guiding development. Partnership in development cooperation implies some form of a contract: how can we ensure that each party lives up to its side of the bargain? To ensure the continuation of democracy in a developing country, it is critically important to make progress in education, and in economic and social issues.

## **Discussion**

Following these remarks, the meeting was opened for discussion and comments by all participants. The following major points were made during the discussion:

- **Creative handling of debt repayment is critical to development.**
- **The central role of governments in development cannot be overemphasized.**



- **New partnerships and new sources of energy are needed.**
- **Partnership for development implies duties and obligations.**
- **Education and training are separate and important issues.**
- **The mass media could play an important role in development.**

- **Creative handling of debt repayment is critical to development.**

A major focus of the discussion during this session was the great concern about the debt burden on developing countries and about the related question of debt relief. Many participants reinforced the idea that debt repayment is a major issue for the economic development of Third World countries. For example, in Guyana, 94 cents of every dollar of revenue collected goes to pay the foreign debt.

Creative approaches to debt relief must be explored.

The debt problem cannot be solved unless it is broken down into its constituent parts. Debt cannot be treated as a separate issue from new money. Getting new money is a very important part of development, and if this is turned off in the process of solving the debt problem, the situation is not helped at all.

Participants noted that debt is one manifestation of the fact that economic policies have not worked: when macroeconomic policies are right, it cannot necessarily be assumed that everything else will fall into place. For example, in Guyana, the problem has been that, in order to get the macroeconomic policies right, the business sector has been paralyzed because of high interest rates, and debt service absorbs most of the resources. The impact of the debt on human life in Africa was likened to what is happening in Somalia. Different countries will respond to the debt crisis in different ways: for example, sub-Saharan Africa has a very limited capacity to repay debt. In the end, some debt will have to be written off.

Debt is a critical issue, but suppose all debt were suddenly written off? What would that mean? It would mean nothing substantive unless steps were taken to ensure that a similar accumulation of debt did not occur again. There needs to be a different approach in many countries to making the right choice of investments and opening their economies, and making sure there is a good track record for creditors to see.

A way needs to be found to convert the debt burden into a positive force in addressing social, childhood, population, and environmental issues.

- **The central role of governments in development cannot be overemphasized.**

The major role of government is to create a favorable policy environment to permit development. Developing countries are often two separate societies - the elite and the rest of the country. Perhaps the lack of progress in development can be linked to the fact that, in the past, much development activity has centered around the elite and the rest of the country has not bought in to the process. The elite make the decisions. And the elite will decide to build new capitols and new churches that will not benefit all the people.

**"Suppose, by some miracle, all debt would be written off one day.**

**What would that mean? That cannot mean anything really substantive, unless it means that a similar accumulation of debt will not occur again." - Attila Karaosmanoglu**

*"Relief from the huge foreign debt burden ... is a sine qua non.*

*There is no way for Guyana to make economic or social progress as long as 94 cents on every dollar of revenue we collect goes to pay our enormous debt burden. At the same time, our fragile democracy will be under threat." - Cheddi Jagan*

Half of the world's people live on 5 percent of its income. This year's Human Development Report and World Development Report indicate that the trends are toward even greater disparity. There are more poor people today than ever before.

Change will not come easily, because the existing systems that have led to the problem are entrenched. The reason we do not have adequate development today for those who have been left behind is because there are forces at work that don't want it to happen.

World economies collect some \$0.5 trillion in payroll taxes annually, which is a major tax on employment - perhaps creating a negative message and incentive to work. Increasing both the factors of production and the individual productivity of those factors is important. If the involuntary part-time and seasonal labor, the unemployed, and adults without children under 12 and without any physical disability were to be counted, there is a vast potential labor force that exists that is presently not working. An interesting change would be to decrease those payroll taxes gradually and to increase taxes simultaneously on the consumption of natural resources. This would send the economy a very powerful signal. The United States Government itself faces two major challenges in becoming a more effective partner in development cooperation: reallocation of its financial resources, and changing the attitude of its citizens toward foreign assistance. There is \$14 billion for aid in the United States budget; one participant noted that about \$3-5 billion could readily be reprogrammed to accomplish the goals discussed in the Task Force report.

The best support for development assistance does not come from seeing Ted Koppel or *Sixty Minutes*, but rather from learning of local persons who have had an international experience and who subsequently tell their own stories.

- **New partnerships and new sources of energy are needed.**

Development is extremely complex. It is not simply a function of one thing such as macroeconomic policy or democracy or anything else, but it is a complex mesh of different factors that are not fully understood. There is a great need to look to new partnerships and new sources of energy for development. And in looking to new partners, their strengths and differences in what they bring to the partnership table must be appreciated.

Countries need to recognize and accept the differences between sectors, to cooperate in new forms of partnerships, and to develop new forums for that cooperation. Third World countries often feel that lenders impose projects on them, and that lenders pay more attention to economic concerns than to social

issues. Developing countries themselves need to make a much more serious effort to start working differently.

The need for North-South cooperation is critical, but there is also a critical need for cooperation among developing countries: for example, India has a lot to learn from China, and Asia has much to offer to solve Africa's problems.

*"Just as stability, democracy and social justice are vital for development, development in turn is essential for strengthening and deepening stability and democracy."*

*- Kassu Yilala*

A major issue is how to link the grass-roots organizations with the summit in order to bring about effective and sustainable development. The most important lessons learned about delivering aid are to simplify, to concentrate, to decentralize, and to have highly professional people involved in the process who can diagnose the needs at a local level.

An example of a new and successful partnership is that of the Canadian Labor Congress, which has begun a project through which the steelworkers donate one cent per hour worked to a fund matched by the Canadian International Development Agency (CIDA). This money is then invested in international projects that have to do with trade unions. The trade unions choose and help to implement the projects. Embassies and agencies serve to link people with people. This is the way of the future.

Major problems face developing nations today that are different from the situation in the past: these include the emergence of a new set of global problems (AIDS, tuberculosis, the environment), and the presence of a large number of aid donors. Donor coordination is crucial and its absence troubling.

• **Partnership for development implies duties and obligations.**

Partnership for development implies duties and obligations. How do we ensure that these are carried out? Should there be contracts for development?

There is a strong need for honesty and openness in government dealings. It may well be time to think about how the international community can help measure effectiveness and anticorruption. Some institution should do for development what Amnesty International has done for human rights: an institution that would measure the effectiveness and anticorruption strength of governments from around the world.

An institutional structure that can measure the effectiveness and the anticorruption strength of governments would be helpful to businessmen and others interested in investing in development. Accountability and openness are major issues. Donors as well as the multinational lending institutions must insist on greater accountability. Accountability is the biggest problem facing the Third World.

- **Education and training are separate and important issues.**

Schooling does not equal education, and education does not equal training. There has been progress in education, but problems remain. Although over 90 percent of children have access to elementary education, the quality of that education is uneven, and the rates of drop-out are high. For internal capacity building, linkages between educational and research institutions and the workplace need to be improved.

- **The mass media could play an important role in development.**

The potential role of the mass media in promoting development needs to be explored. Effective use of the mass media could be a major new tool for improving global development, particularly in terms of disseminating the various technological breakthroughs that have occurred.

*"In the past, there had been two worlds: the business world and the aid or development world. From the business perspective, the development world was inefficient and was wasting taxpayers' money. And from the aid world's point of view, business was exploiting the Third World and destroying its natural resources."*

*- Stephan Schmidheiny*

## **Forging New Partnerships for Development: A Long-Range View from Developing Countries' Perspectives**

**Friday Afternoon, Dec. 4, 1993**

**Chair: Jimmy Carter**

The purpose of this session was to define needs and opportunities for creating and fostering new partnerships for development over the next decade and beyond. The session was divided into two segments. The first part focused on needs and opportunities as defined from developing countries' perspectives; the second part of the session addressed these issues from the viewpoints of business, governments and multilateral institutions.

In his opening comments, **President Jimmy Carter** noted that many countries around the world that have achieved democracy now have burgeoning dreams and are interested in making new commitments. Developing nations do not want charity or handouts, but only want an opportunity to benefit from their own hard work and their own incentives.

A major concern in moving forward to make progress is fear of each other - a deep mistrust - and there is not at present a good forum to alleviate that fear. For example, the exchange between the Group of 77 and the OECD countries is largely one-way. There needs to be an alleviation of that tension and a formation of genuine trusting partnerships and give-and-take where both sides can benefit.

### **Opening Statements**

The first part of the session, discussing partnerships from the viewpoint of developing countries, began with statements from José Goldemberg, Professor, University of São Paulo, Brazil; Maximo Kalaw, Jr., President, Green Forum, Philippines; and Yesu Persaud, President, Institute of Private Investment, Guyana.

**José Goldemberg** opened the session by saying that new partnerships for development must be based on the self-interests of both developing and developed countries. This decade brings unique global concerns that require new levels of partnership: proliferation of weapons of mass destruction, environmental degradation and pollution, the continued need for new energy supplies. Developed countries possessing weapons have tried to avoid further proliferation of these weapons by controlling the export of sensitive equipment and technology to developing countries. This has not always been effective. Developing nations are beginning to realize that the possession of nuclear weapons may not add to their national security. Regional and global environmental degradation - deforestation and desertification, often associated with local poverty - have global consequences. These problems can be solved only if one addresses the causes of environmental degradation - technological and educational backwardness - and not only its consequences. New energy supplies are essential to development. Although developing countries include 75 percent of the world's population, they consume only some 25 percent of the world's energy. This will increase dramatically by 2010, and the contribution to the greenhouse effect will be as significant from outside the OECD as it is from within the OECD countries. It is a matter of self-interest to the industrialized countries to help developing countries to overcome poverty without wasting natural resources and energy.

alleviation of that tension and a formation

*"If we're really going to develop Guyana, which is a country endowed with huge resources, we need capital and technology. We need people of the right type."*

*- Yesu Persaud*

*"Excellence does not just reside in ivory towers. It also resides in the indigenous peoples' hundreds of years of accumulated knowledge."*

*- Maximo Kalaw, Jr.*

**Maximo Kalaw, Jr.**, said that, from the perspective of developing countries, the Task Force report fell short of what it proposes. The whole rationale for development cooperation should be grounded on a fundamental realization that we are all operating in a closed, biospheric system: we are all codeterminants of our future, not only because we are all humans, but because we are interconnected as a species and also connected to our planet.

Some countries have an ecological debt to pay, in terms of what they need to do for the rest of humanity. The future of development must emphasize sustainability. Sustainability carries with it the notion of limits - the limits of the biosphere - and the notion of diversity or pluralism. Sustainability calls for social equity, especially in global terms: water, clean space, air that really belong to the whole community.

Development is not something the World Bank or NGOs or USAID gives to other people; it is something people do for themselves. The beneficiaries of development should not be the people, but the life systems that support communities.

The concept of technology is difficult. Even as we praise the Green Revolution, the Philippines are trying to recover from its aftermath: the externalized cost, the loss of its genetic seed stocks for rice, the loss of soil fertility because of heavy inputs of fertilizer. Access to technology must be democratized. The NGO community is looking at developing a technology bank, freely accessible to all. It is time to determine whether there should be a global television network that focuses on people's participation in their own development.

**Yesu Persaud** used the example of Guyana to underscore the importance of developing the small business sector. In 1987, the Institute of Small Business



Enterprise in Guyana, a private-sector nonprofit company, started 25 new businesses, employing 67 persons. In 1992, the figures had grown to 2,091 new businesses employing approximately 10,000 people. Many of the new businesses were started in previously neglected areas, but many are concentrated in certain basic areas, especially agriculture. The average cost of a job under this program is 200 U.S. dollars. Success is attributable to accountability from top to bottom, and from bottom to top. The major barrier to development remains the overwhelming debt burden. Debt relief is necessary to get the economy moving forward.

### **Discussion**

Following these remarks, the meeting was opened for discussion and comments by all participants, with the following ideas emerging from the discussion:

- **To be effective, partnerships for development must serve the needs and interests of each partner.**
  - **The role of democracy in development needs to be critically examined.**
  - **The future of development must emphasize sustainability.**
  - **Science in the Third World needs much more funding and attention.**
  - **Technology is a double-edged sword; access to technology must be democratized.**
  - **A global system of peer review to determine the merit of potential research and projects needs to be established.**
  - **A major emphasis needs to be placed on training as well as education.**
  - **Capacity retention is as important as capacity development.**
  - **Development of the small business sector is critical to overall development.**
  - **The benefits of the mass media could be harnessed for development.**
- 
- **To be effective, partnerships for development must serve the needs and interests of each partner.**

Participants at the meeting noted that there is a deep feeling in developing countries of being junior partners in the international arena: the Group of Seven meets and decides on global economy, and developing countries are not represented or consulted. African governments feel strongly that policy is being dictated from the outside and that decisions are being made without them, regardless of the efforts they make.

A realistic long-range view of new partnerships for development must be based on the self-interests of both the developing and developed countries. Emphasizing the commonality of problems, such as the difficulties in ensuring access to and completion of education for children of the poor both in developing and in developed countries, would make a strong argument in favor of many countries' participating in solutions to problems. Regional and global environmental problems seem to be an area where new and genuine partnerships can be forged, since developing and developed countries alike are responsible for and affected by such concerns.

*"A realistic long-range view of new partnerships for development must be based on the self-interests of both developing and developed countries."*

*- José Goldemberg*

Partnership also implies governance, to ensure that the objectives of the partnership are achieved and, if they are not achieved, to ensure accountability.

- **The role of democracy in development needs to be critically examined.**

To what extent is democracy an essential part of development?

With respect to the need for democracy, there is always some tendency in developing countries to think that a multiparty system and elections equal democracy, but this may not be the case.

Yet if the goal of development is "the realization of the full potential of all individuals in their societies without compromising options for future generations" as noted in the Task Force report, then democracy belongs in that equation. If development is simply economic growth, then democracy is not required. South Korea, Taiwan, Singapore, Hong Kong, and Chile are examples of economic growth, but not necessarily of development. If development is the enlargement of people's choices, then freedom is a requirement.

- **The future of development must emphasize sustainability.**

Sustainability calls for social equity, especially in global terms: water, space, air - these really belong to the whole global community. In this regard, some countries have an ecological debt to pay, in terms of what they need to do for the rest of humanity.

Another element necessary for sustainable development is the "biocracy": the rights of nature or water or soil to be treated in a certain way in order that they may continue their life-giving functions. Democracy and biocracy should work together for sustainable development.

A major part of the discussion during the morning session focused on debt, yet there is an ecological analog to that debt. For example, in listing the reasons why United States agriculture has become so productive, one that is often omitted is the one-shot consumption of the country's natural resources in the effort to increase production.

One participant noted that the independent sector is moving to create an academy for sustainable development. There are no classrooms as such, but the classrooms are successful projects all over the world that can be shared.

Bureaucrats should be obliged to participate in this academy every six years to see firsthand creative alternative approaches to development and what they can accomplish.

*"If development is the enlargement of people's choices, then freedom is a requirement."*

*- Luis Gómez*

- **Science in the Third World needs much more funding and attention.**

Much more money needs to be put into science in the Third World. It is far too costly in terms of the future to have deficiencies in the scientific effort in each country. The dependency, lack of choices, the fact that decisions are being made by outsiders, the inability to negotiate, all basically result from the developing

countries' lack of a broad knowledge base. And this can only be improved by establishing a good technical base in each country.

The dependency of developing countries rests to a large extent on the fact that the answers to local problems are not available from within a country.

Technology cannot be designed for someone by someone else. Despite this, attempts to establish a program for centers of excellence in Africa have not been successful because of opposition from the donor community. If resources are increased, how will they be distributed at the country level: by equity or by excellence? How will developing nations decentralize their science and technology? Is the Third World interested in high technology, or is there an estrangement from high technology because of concerns about environmental degradation?

*"Development is not something the World Bank or NGOs or USAID gives to other people; it is something people do for themselves. Development must be participatory, self-determining, and move towards self-reliance."*

*- Maximo Kalaw, Jr.*

There is no substitute in science for excellence, but there are other criteria. One of the major criteria that has underlain all of Western science is relevance. The scientist in the Third World country has no choice but to work on issues that are of interest to a Canadian or to a North American, but not to his own country, simply because that's the only way to get papers published.

Excellence does not just reside in ivory towers: it also resides in the indigenous peoples' hundreds of years of accumulated knowledge.

• **Access to technology must be democratized.**

The idea of technology presents many issues and concerns. Even as we praise the Green Revolution, the Philippines are trying to recover from its aftermath: the

externalized cost, the loss of genetic seed stock for rice, the loss of soil fertility because of the heavy inputs of fertilizer.

The issue of cutting-edge technology versus appropriate technology is an ever present question. There are many very high-tech, very interesting machines available in North America that are of no consequential use to an island state in the Pacific. Some degree of balance, of harmonization, needs to be achieved.

There is also the question of available technologies, but these may not be readily acceptable, because of cultural or other issues, in developing countries.

Access to technology must be democratized. The NGO community is looking at developing a technology bank, freely accessible to all.

- **A global system of peer review to determine the merit of potential research and projects needs to be established.**

It is difficult to identify and prioritize technology requirements. Outside of the agricultural area and CGIAR (the Consultative Group for International Agricultural Research), there is no priority-setting system. A global structure of peer review to determine priorities and merits of potential research and development projects in different areas would be beneficial. The development community needs this: the buyers of research and development, whether they be donors or investors, don't have a good system for knowing where they ought to put their money.

- **Major emphasis needs to be placed on training as well as education.**

Education is critical, but education does not mean training. Education needs to be followed up with relevant training in the kinds of issues important to a developing country. Training requires an additional dimension of effort that is not always available in a formal educational system. More scholarships, loan programs, and work/study programs are needed for students from other countries, particularly for those who cannot afford to pay for themselves.

Scholarships and practical exchanges for training could be of more benefit than formal MBA programs to the people in developing countries.

- **Capacity retention is as important as capacity development.**

Discussions of capacity building also need to include the concept of capacity retention. In many situations, capacities are built up, but because of economic or social or political situations, highly skilled manpower has had to move out.

- **Development of the small business sector is critical to overall development.**

The importance of privatization is recognized, but it is often difficult to get support for this concept. There is not a great deal of support for the private sector. For example, in a recent European Chamber of Commerce mission to Southern Africa, there was no interest in investment in Zambia, yet it appeared that Zambia had "done everything that was required."

Taiwan, Korea, and Malaysia have been enormously successful in the development of small private enterprise. This experience cannot be repeated through establishing formal MBA programs, but only through technical scholarships and practical technical exchanges between countries. Openness is essential to the transfer of technical assistance.

- **The benefits of the mass media could be harnessed for development.**

It is time to assess whether there can be a global television network focused on people's participation in their own development, as a means of sharing resources and experiences.

## **Forging New Partnerships for Development: A Long-Range View from Business, Government, and Multilateral Institutions**

**Friday Afternoon, Dec. 4, 1993**

**Chair: Jimmy Carter**

The Friday afternoon discussion continued with comments on the long-range view of development from the viewpoint of business, government and multilateral institutions.

**President Jimmy Carter** noted that much of development is debt-ridden and debt-driven. Twelve years ago, the United States was the biggest creditor nation in the world, and now it is the biggest debtor nation. The U.S. debt is about three times

as much as all the debt of the developing world put together. The U.S. debt approaches \$4 trillion; the combined world debt is about \$1.2 trillion.

### **Opening Statements**

The second part of the Friday afternoon session began with presentations by Stephan Schmidheiny, President, Business Council for Sustainable Development, Switzerland; Keith Bezanson, President, International Development Research Center, Canada; and Edward Jaycox, Director, Africa Division, World Bank.

**Stephan Schmidheiny** said that development is an urgent concern: not only in terms of humanitarian issues but also from a strictly business point of view. If governments persist in traditional patterns of policies, business will produce more for the people in the North, who are already saturated in many ways, and less for Southern markets. Business has a natural tendency to look to markets where there is potential for growth. When conditions are met, business would have great interest in going to a country and actually making such investments. Partnership is required between government and business. Governments, by themselves, do not do economic development; business does this. Governments have to set the policy framework to allow this to happen. Many developing countries have kept large segments of their populations out of the marketplace through policies in which governments tried to do business themselves. Many governments in the developing world need to free up markets to tap more effectively the potential of people to develop themselves.

**Keith Bezanson** said that public will and political support show a lessening of commitment to development. One interpretation holds that this is merely recession-driven. However, it seems that the view of global development that has inspired international action for three decades is becoming a casualty of the pace and the intensity of change people are feeling in their daily lives. Aid fatigue is encountered on one side, and recipient fatigue on the other: there is a sense of

ennui on all sides, with great promises and great expectations, but with only slight delivery in the end. Financing for development is important, but there is a more basic need for a rekindling of a larger vision of global development, yet in a context of less and less money. The Government of Canada has recently reduced its aid budget by 10 percent; Sweden, for the first time in recent history, has severely curtailed its commitment to overseas assistance.

***"The World Bank has become too dominant in Africa: we stand on the path of about 75 percent of all capital flows to that continent....It's very bad for Africa and it's very bad for the World Bank to be in such a position. We need partners... because we don't have all the answers." - Edward Jaycox***

Most development activities in recent years have focused on short-term measures and crisis responses. The transition to a new vision of global development will require a change towards approaches that are more patient and long-term, including those with reference to the environment, and to the assignment of increased resources and greater attention to the elements of strategic policy planning. There is much talk today - and not for the first time - about aid fatigue. The context today, however, is markedly different. In previous decades, it was possible for a few world leaders to focus attention on a vision of global equity. Today, there are many new actors, including a multiplicity of players in civil society, both North and South, requiring new and vastly expanded coalitions if concerted international action is to prove possible. This is causing enormous confusion on the one side, but it may be a remarkable opportunity on the other.

If there are to be new partnerships, then there must also be a new forum that would bring new partners around the table to redefine what is meant by development. Official development thinking has been dominated for over a decade by a macroeconomic model. It is now demonstrated and accepted that



the macroeconomic model comprises a necessary condition for development, but that it also comprises a far from sufficient set of circumstances for development. **Edward Jaycox** stressed that the opportunity is at hand to make major changes in the business of development. Aid fatigue is a two-way street: it not only means putting up with the dependency factor, which is embarrassing and demeaning for the beneficiaries in this process, but it also means that the public in these countries, given more opportunities to express itself, is demanding a lot more from government. The developing world needs to look at its own record. The danger of Africa becoming further marginalized is imminent. The World Bank has become too dominant in Africa: it stands on the path of about 75 percent of all capital flows to that continent. This is partly a matter of default: others have retreated from this problem and put their funds in World Bank hands. It is very bad for Africa and very bad for the World Bank to be in such a position. The Bank needs partners - not only for political and accountability reasons - but because it doesn't have all the answers. The Bank's focus is on raising the quality of assistance.

## **Discussion**

Following these remarks, the meeting was opened for discussion and comments by all participants. The major ideas raised in this session were:

- **Democracy is necessary for sustainable development.**
  - **New partnerships require a new forum for action.**
  - **Sound macroeconomic policies are a necessary but far from sufficient condition for development.**
  - **Private sector involvement is critical to development; incentives and ethical practices must be considered.**
  - **An international fund for development could be created.**
- 
- **Democracy is necessary for sustainable development.**

In many instances, it seems that development has preceded democracy rather than followed it. There is no question that democracy is necessary for sustainable development. On the other hand, caution should be exercised in simply asserting that democracy is a prerequisite for development. The issue is

complex. One weakness of democracy is that people may vote too much for their own self-interests. This is certainly true in the developed countries.

- **New partnerships require a new forum for action.**

In recent years, most development thinking has focused on short-term and immediate responses. It is necessary to seek approaches that are more patient and long-term, and that would focus greater resources and attention on strategic policy planning.

In the past, it was possible to focus aid based on the visions and actions of a few leaders. Today, there is a multiplicity of participants, both in the North and in the South. This causes enormous confusion, but may also be an absolutely remarkable opportunity. New partnerships require a new forum that would bring some of these new players around the table to define just what is meant by development in the next decade.

*"...partnership is required between government and business. The reason for this is that governments, by themselves, are not developing nations economically. Business does this. And governments have to set the framework."*

*- Stephan Schmidheiny*

- **Sound macroeconomic policies are a necessary but far from sufficient condition for development.**

In Guyana, the structural adjustment program is causing problems: while it is necessary at the macro level, on the micro level it is leading to disaster.

Devaluing the currency for the purpose of structural adjustment is causing a deterioration in the standard of living, and this is critical in an economy where people earn only one dollar a day. Guyana has high interest rates, wage restraints, devaluation, and credit squeeze. These factors will not support development.

The debt is a critical problem. When the debt crisis began to explode in the 1980s, 11 Latin American countries met and determined that a debt-service ratio should be no more than 20 percent in order for growth to continue. Guyana's debt-service ratio is 70 percent. How can progress be made under these circumstances?

- **Private sector involvement is critical to development; incentives and ethical practices must be considered.**

There need to be better incentives for private sector investments in the Third World. Yet in acknowledging the importance of private investment in developing countries, there also need to be ethical standards for that investment. A code of conduct needs to be established for foreign companies: when Allende was in office in Chile, he showed that foreign companies were making 12 percent profit in North America, but 60 percent profit in Latin America; Brazil has shown that foreign capital destroyed local capital by unfair practices.

If investment is to make a real contribution to development, issues such as the export of pesticides, and the establishment of cigarette factories in developing countries need to be carefully considered.

- **An international fund for development could be created.**

An international fund for development should be created to which all the countries of the world would contribute and subsequently have access. Access would be based on defined measurable criteria.

*"If you look empirically, it seems that development has preceded democracy rather than followed it. There is no question that democracy is necessary for sustainable development.... One of the weaknesses of democracy is the fact that people may vote too much for their own self-interests."*

*- Harvey Brooks*

## **Major Themes and Vision**

The session ended with a summary of the day's discussion by **William Foege**, who reviewed the themes that were raised, and the vision that participants articulated. Major themes included:

- Fragmentation: how do we take individual issues - health, education, environment, agriculture, debt - and bring them together to be addressed in a forward-looking and accomplishable way?
- Linkages: famine is a dramatic example of what is happening all the time with chronic malnutrition. Bhopal was a concentration of what happens all the time with toxic emissions.
- Hope and urgency: there are new pressures and new problems, but also new potential solutions, and we are at a point where time is running out, so these issues need to be addressed.

The vision stated was the hope of making available the benefits of development to everyone. And the barrier to that vision is not a lack of ability, but a lack of desire. Political problems are the cause of many of this century's problems: before this century, most famine in the world was caused by natural disasters; in this century, famine results when food can't get to the people who need it - because of war or political decisions. Some forces won't change - power, addiction, corruption - so we need to build fences around what is allowable and what is not allowable. Is it possible to have an international forum of some kind, where people can come together in a different way? Such a forum could look at a research agenda in order to get the best science, acknowledge regional considerations, and focus on a longterm time frame.

## **What Can be Done to Accelerate World Development: Enhancing Internal Capacities**

**Saturday Morning, Dec. 5, 1992**

**Chair: James Laney**

The purpose of this Saturday morning session was a critical examination of approaches to improving development both from the standpoint of enhancing the

internal capacity of developing nations and from the standpoint of improving the response from industrialized nations to the needs of developing countries. The first half of this session was chaired by **James Laney**, President of Emory University, and focused on the need to build human capital within developing countries.

### **Opening Statements**

The discussion began with presentations by William Drayton, President, Ashoka: Innovators for the Public, USA; and Ashok Khosla, President, Development Alternatives, India.

**William Drayton** said that there is an enormous opportunity in development both because of changes in the United States and also because of significant positive changes in most other countries. Many people in many different fields are willing and able to take initiative. The future of development provides an opportunity to focus on people rather than on projects: that is where development happens.

Many talented people who are taking the initiative to solve their countries' problems need certain types of institutional and larger-scale help to be fully effective. Most development institutions are not designed to deal with this.

There is also a growing group of people that cannot be ignored: the people who are not needed by the economy. Increasing the overall demand for labor in the economy may be the single most important way to improve their situation.

The boundary lines between North and South are becoming illusory. The North is failing to solve its problems on its own. If we can acknowledge that we need to work together on common problems, we can benefit from learning about and applying solutions that already exist. Many people in the Third World do understand that they are, in some instances, compounding their own problems, but they have no alternatives.

**Ashok Khosla** spoke about actions that could be taken to build indigenous capacity. He stressed that capacity must grow from within a culture. After four decades of development, there is more poverty, more pollution, and more population than ever before.

Why is development in such a mess? It is because of inappropriate technology choices, inappropriate economic measures, inappropriate institutional frameworks, inappropriate knowledge structures and inappropriate value systems. The hardest things to change are the value systems, but we now need to change them. We must adopt more conserving lifestyles; we must extend our self-interest and time horizons; and we must develop a whole new type of self-reliant interdependence.

We need to improve the access to knowledge. This requires universal primary education. We need a whole new set of institutional frameworks, with more effective leadership and more effective partnerships. Leadership requires that the creativity of people be nurtured; partnership depends on our understanding of what different institutions can do. We need to restructure decision-making systems. We need to address the sharing of information and the right to know. Economic measures have to be changed: without changing terms of trade, international aid, and concepts of technology cooperation, it is very hard to see how capacity can be built up. The easiest to change are the technology choices. Our present choices are big, centralized; we now have to emphasize basic needs. We have to set up a whole new approach to using renewable resources. We must build the capacity of Third World countries to be able to innovate: not in the abstract sense, but for the market, for people.

To be sustainable, development must be equitable, efficient, ecological, and endogenous. If sustainable development is to be accelerated, everyone must have equitable access to infrastructure and services and to information and support. Sustainable development requires self-reliance: the capacity to innovate, the ability to make choices, and to participate in decision making. Changes in institutions, in values, in economics, in technology, and in knowledge, can ensure that people are able to meet their own basic needs and sustain their resource base. This will lead to benefits for the South in terms of reduced poverty, improved quality of life, stable economies, and lower population growth; the North will benefit from reduced environmental threats, continued

access to strategic resources, growing markets, and lessened migration pressures.

## Discussion

Following these presentations, the session was opened for comments from all participants. The major issues raised were:

- **Partnerships depend on appreciation of common problems and of different talents.**
- **Improved donor coordination is vital.**
- **Public entrepreneurs are an enormous resource.**
- **The woman's role in development needs to be recognized and supported.**
- **Social and professional reward systems specific to Third World scientists must be established.**
- **Technology choices should be available.**
- **A task force to study past successes in development should be set up for the purpose of learning why these initiatives have worked.**
- **Each country's needs must be assessed specifically.**

*"Leadership requires that the creativity of people be nurtured; partnership depends on our understanding of what different institutions can do."*

*- Ashok Khosla*

- **Partnerships depend on our appreciation of common problems and of different talents.**

The boundary lines between the North and the South are becoming illusory. We are not solving our problems in the U.S.: in the cities or in education for poor children. If we acknowledge that we want to work together on a common problem, we can benefit from learning about and applying solutions that may already exist but that we might never have before known or considered.

We need to understand what each partner can do: government, academia and the private sector all have strengths and weaknesses. We need to recognize and use the best strengths of each partner.

- **Improved donor coordination is vital.**

There has not been much progress on donor coordination in the last ten years. When resources are scarce, lack of coordination can consume even more resources. Circumstances may not yet be right to attempt to improve coordination of donors. To improve coordination, technical expertise and substantial budgets need to be in the hands of the would-be coordinators. Twenty years ago, USAID filled this role. Today, the World Bank has the money but not the people; the United Nations has the people but not the money. One solution might be for the World Bank to develop a real field presence. Coordination generally works better with central, driving issues such as immunization or oral rehydration therapy.

- **Public entrepreneurs are an enormous resource.**

These are the people who have a vision, and then make that vision happen to change the pattern in their field: the woman in Bombay who made non-rote education practical on a mass basis; the man in Bangladesh who reorganized the schools and increased enrollment by 44 percent; the woman in São Paulo who can teach street kids to read and write in 90 days. The opportunity for the broader society is to recognize that phenomenon and to help those people get started.

- **The woman's role in development needs to be recognized and supported.**

Two economists have won Nobel prizes for saying that investment in human capital is extremely important, and the last Nobel Prize winner said that it isn't just investment in education, but investment in the education of women that is fundamental.

Why is this not happening? One reason could be that the value placed on women in different cultures varies. A second reason could be that there are conflicts between private gain and social gain: in poor families, the dropout rates for female children are extremely high because the family needs the income derived from that child's time. We need to analyze some of the broader issues - macroeconomic, social, cultural - in order to make a more significant impact.



- **Social and professional reward systems specific to Third World scientists must be established.**

These reward systems need to be different from those for scientists in the industrialized world. Scientists in developing nations need to be rewarded for working on local problems. The current social and professional reward systems work against anybody doing anything useful. Doing something different is not encouraged.

- **Technology choices should be available.**

The "small is beautiful" approach works much better in rural than in urban areas. Because of global communication, people don't want to be made comfortable in poverty, they want to over-come poverty. These are some things that you cannot do by yourself: you can't make transistors in your back yard. The kind of comfort that people want all over the world has to do with modern technology.

- **A task force to study past successes in development should be set up for the purpose of learning why these initiatives have worked.**

We need new partners and new approaches. We need to know how to apply the lessons learned around the world. Examples were given of the importance of grass-roots empowerment in improving education: a man in New Haven, Connecticut, took two of the worst schools in that district and made them two of the best schools. He reorganized these schools to reward student achievement, and got the parents involved in the education of their children. The Texas Industrial Areas Foundation took this model and applied it to their own system, and improvements came very quickly.

*"The future of development provides an opportunity to focus on ... people more than on projects. That is where development really takes place."*

*- William Drayton*

A task force could collect these examples, learn from them, and try to translate them into a model system.

One of the difficulties in duplicating successful examples is the perception that success was due to the individual associated with the project. We need to find a way to separate the individual from the project. We should look at a holistic approach to development: there needs to be some framework, some objectives. Regional centers could study successful examples that are important to that region.

- **Each country's needs must be assessed specifically.**

Perhaps one of the reasons why development to date has "failed" is that the largest donor has directed development. We need to return to a people-centered approach. The principal coordinator for development in a given country must be the country itself.

## **What Can be Done to Accelerate World Development: Improving External Responses**

**Saturday Morning, Dec. 5, 1992**

**Chair: David Hamburg**

Following a brief recess, the second half of this Saturday morning session was chaired by David Hamburg, President of Carnegie Corporation. This session focused on issues surrounding the critical need to improve donor countries' response to developing country needs.

**President Jimmy Carter** said that one of the primary thrusts of a coordinated approach to development should be the mutually agreed restraint on spending policies of recipient governments. Two areas where this is particularly important are the environment and the purchase of weapons: it would be difficult to support a country in its political and social ambitions if its government were spending a substantial portion of its limited resources on weapons.

He also gave two illustrations of the use of appropriate technology: in building homes, through Habitat for Humanity, using the resources and materials

available to the local community; and in the production of a strain of maize in Ghana, with the help of Global 2000, that contains essential amino acids to provide better nutrition.

President Carter also noted that foundations are one of the unrecognized and sometimes inadequately tapped sources of innovation and trial and experiment with almost no bureaucratic restraint. Foundations are not adequately incorporated into the global development community.

### **Opening Statements**

The session began with presentations by James Grant, Executive Director, UNICEF; Attila Karaosmanoglu, Managing Director, The World Bank; Nafis Sadik, Executive Director, UNFPA; Luis Gómez, Associate Administrator, UNDP; and Marcel Massé, President, CIDA, Canada.

**James Grant** underscored the importance of the themes of this conference: more attention to science and technology and to the development of new partnerships. The donor-recipient relationship needs to be removed from the development business. He said that when there is a strong consensus for action in a given sector, tremendous resources can be applied (for example, the Marshall Plan, the Kampuchea crisis, worldwide childhood immunization). In the present Agenda 21 from the Rio conference, there is consensus on a great many issues, including major goals for the environment, health, education and family planning. What is missing is a head of state from the industrialized world who is prepared to provide leadership for this effort. The concepts and the infrastructure are in place, but the leadership from the top is missing. Primary health care, safe drinking water, nutrition and basic education - the elements that most people think of when they think of aid - receive only 7 percent of bilateral aid. If this were raised to 20 percent of the current levels of development assistance, there would be nearly sufficient resources to achieve a break-through on this front.

*"It is important for the world community to recognize that global development requires development both in the North and in the South."*

*- Luis G/da/omez*

**Attila Karaosmanoglu** noted that development efforts to date have achieved many positive results, but even with existing capital resources, more could be achieved than has been achieved so far. The potential of the peace dividend is recognized but is slow in coming. The post-Cold War era may see a tightening of aid budgets, rather than an expansion: we need to make better use of what is already available. The development of domestic capacities in the form of trained human resources and a policy framework enabling good governance and efficiency of resource use are especially important to the success of development efforts in an environment of constrained resources. Unless the developing countries take charge of their own development issues, they won't be able to receive and use external assistance wisely. The World Bank is attempting to respond to the changing development environment with significant changes in the scope of its analytical work and in its lending and adjustment lending policies. With major new initiatives in all regions, the World Bank has been searching for the best internal organizational structure to improve the efficiency and quality of its services. In this present fiscal year, the World Bank has about 1,850 projects, carrying a commitment of about \$140 billion.

**Nafis Sadik** said that the world population stands at 5.5 billion, and this is increasing at a rate of 97 million people annually. This is the largest recorded annual increase ever, even though overall fertility levels are decreasing. There will be 6 billion people by the year 2000, 8.5 billion by 2025, and 10 billion by 2050. Ninety-five percent of this growth is going to be in the developing countries, mostly in sub-Saharan Africa and in Asia. By the year 2000, 19 of the 25 largest cities (over 5 million people) are going to be in the developing world. We need a development strategy that addresses the needs of the poor. Women -

who are central for development in health, in changing fertility patterns, in children's education, in attitude and values - have not come into the mainstream of the development process. When the system focuses on an issue, it can do a better job. Bilateral donors find it difficult to focus attention on the "sensitive" areas of family planning and population control. More resources need to be applied to population issues: an increase from the present level of 1 percent up to 2.5 percent of ODA could make a major difference. In 1985, the United States withdrew support from the United Nations Fund for Population Activities (UNFPA). If the United States could return and be a leading contributor, both the United States and the international community would gain.

*"..all the famine deaths are occurring in places where war occurs."*

*- Robert Kates*

**Luis Gómez** observed that global development partnerships require adjustment not only in the South, but also in the North. It is important for the world community to recognize that global development requires development both in the North and in the South. The North needs better trade and market policies with the South, a new approach to work and labor forces, and new patterns of living with the environment, of using natural resources and disposing of industrial wastes. Global development partnerships cannot be only government to government relationships; they must rest upon interaction among and within civil societies. Governments should provide conditions for creating the enabling framework for participatory human-centered development. Successful partnerships for development depend on mutually perceived benefits; development cooperation cannot be one-sided charity. Industrialized countries are facing pressures from international migration, from drugs, from terrorism, from concerns about intellectual property rights. The developed countries can, through aid, obtain the needed responses. Developing countries need resources for the high level of effort required to build up their national capacities. To do this,

they need the cooperation of the North. This partnership must rest on the recognition of mutual responsibilities: the sharing of benefits, but also the apportionment of accountability among all partners.

**Marcel Massé** emphasized that changes are needed in Western societies to speed up global development. The first change is a change in values. Western societies have become much more individualistic: even our human rights values favor individual human rights over social human rights. The present equilibrium between individual and social values is not correct.

Western societies need to learn a longer time horizon. We also need changes in terms of policies: in international trade, in governments. The North has become more protectionist: the increase in protectionist policies between 1980 and 1987 cost the developing countries twice the total amount that all aid budgets have transferred to those countries. Sovereignty has shifted away from the national entities and toward the international level. With the growth of influence of the G-7, no country - not even the United States - can have macroeconomic policies that are not largely in line with those of the rest of the world. This shift of sovereignty to international institutions must be accompanied by a shift of responsibility and accountability for financial resources. Problems such as those in Somalia can be solved only at an international level - in fact, they are acceptable to the international community only within an international framework. We are not transferring to the international level the means to accomplish the tasks we have now shifted to that level. CIDA, and many bilateral aid institutions, have been putting a great deal of money into international institutions. The problem of the efficiency of UN agencies preoccupies national authorities. But not to give or to withdraw funds because the agencies may not be efficient will not solve the problem; it only increases it.

### **Discussion**

The discussion continued with comments from participants. Major thoughts expressed were:

- **Consensus around specific goals can lead to action and to accomplishment.**

- **Countries that limit weapons spending would be given special consideration when aid funds are distributed.**
- **A task force to study effective partnerships and coordination should be constituted.**

*"The present equilibrium between individual and social values is not correct."*

*- Marcel Massé*

- **Consensus around specific goals can lead to action and to accomplishment.**

When there is a strong consensus for action in a given sector, tremendous resources can be applied (e.g., the Marshall Plan, the Kampuchea crisis, worldwide childhood immunization). Yet consensus requires not only infrastructure but also leadership.

Single-focus issues - such as smallpox eradication - are easier both to solve and to explain to the public; broader agendas are harder to approach.

Specific needs that could be approached today include seeking ways to convert salt water to fresh water and decreasing world hunger by half. There are remarkable options to end famine just within our lifetime, and the only obstacle has been the total and complete association of current famine with war: all famine deaths are occurring in places where war occurs.

One of the terrible things is that emergency responses become major diversions of resources, over and over again. The fact that we've moved from a possible expenditure of \$5 million to over \$1 billion in Somalia is a matter of pain, because much of that billion will be diverted from other necessary causes.

- **Countries that limit weapons spending would be given special consideration when aid funds are distributed.**

The issue of arms transfer is complex. Limiting arms transfer brings with it another set of concerns: how does one manage the dislocation that occurs in any country when a major industry is shut down? Until we can offer some solutions to this problem, simply providing incentives for an end to arms trade isn't going to go very far.

In general, the post-Cold War era may see a tightening rather than an expansion of aid budgets. Making better use of what is available is critical.

- **A task force to study effective partnerships and coordination should be constituted.**

This task force could gather best practices on partnerships and propose models that might be applied.

## **Recommendations**

**Saturday Afternoon, Dec. 5, 1992**

**Chairs: Boutros Boutros-Ghali and Jimmy Carter**

The final session of the meeting was spent developing a consensus for follow-up tasks flowing from the concerns and ideas expressed at this conference. The session was chaired by Secretary-General Boutros Boutros-Ghali and President Jimmy Carter.

In his opening remarks, **Boutros Boutros-Ghali** referred to several of the comments made earlier in the day. He said that, in considering the fact that approaches using small technology have not been duplicated on a large scale, the influence of imitation should not be underestimated. Because of global communications, everyone wants to imitate what is happening in Europe or in the United States. For example, a graduate degree from an American or European university may not be needed, but this degree buys entrance into the upper class, which is a universal dream.

There is an awareness among different nongovernment organizations and among different agencies of the United Nations that there is donor fatigue. The momentum of this awareness must lead us to find a new way to reinforce coordination and to have better communication with the public.

Unless public opinion supports development, governments will not support development. There is limited information about what is happening in Afghanistan or in Mozambique because there is no communication. Yet everybody is interested in Bosnia because of the radio and television coverage. If



the problem of further aid can be solved, one of the basic necessary elements is information: communication and continuous education of donor countries.

**Jimmy Carter** noted that recipients must play a crucial role in development cooperation. There must be heavy involvement of developing nations at every level and in every issue. There are many needs - environment, human rights, heavy dependence on weapons - that are sapping the strength of the world.

**Brian Atwood**, who attended the meeting on behalf of U.S. President Bill Clinton, spoke of the new President's sincere interest in sustainable development.

President Clinton has indicated his interest in the United Nations system and his awareness of how vitally important that system is. There may be fears in the international community about the campaign's focus on domestic issues: but there is probably nothing more important to the international arena than the United States getting its own economy in shape, so that it can do more. The United States will be examining ways to improve its foreign assistance program. Some segments of the U.S. population have some of the same developmental problems as do many people in the Third World. If the United States could make the connection between U.S. economic interests and the interests in trying to develop world economy, this could be an example for other democratically elected leaders in the rest of the industrial world.

## **Recommendations**

Participants had been asked to write ideas for possible outcomes from this meeting and to submit these ideas to Carter Center staff. A summary of participants' ideas and comments was prepared; this summary served as the basis for the Saturday afternoon discussion. The discussion of the recommendations is summarized below:

### **RECOMMENDATIONS**

- **Organize an International Action Roundtable for Development to encourage the formation of new partnerships for development.**
- **Urge the White House and Congress to create a National Action Roundtable for Development, as recommended in the Carnegie Task Force report.**

- **Work to build the internal capacity of developing countries, with specific attention to science and technology.**
- **Introduce greater accountability into the development process.**
- **Identify humanitarian and development issues in urgent need of attention, consult widely on how best to set priorities, and then mobilize to recommend and pursue tangible, practical solutions.**
- **A systematic professional peer review process to identify the potential of certain areas of research - similar to the CGIAR system - should be put in place for other sectors.**

- **Organize an International Action Roundtable for Development to encourage the formation of new partnerships for development.**

The idea receiving the most positive input from participants was the need for an International Action Roundtable. The Roundtable would consist of senior leaders in business and industry, international financial institutions, multilateral agencies, NGOs, academic institutions, bilateral agencies, and private foundations and representatives of "grass-roots" organizations - from both the North and the South. The Roundtable would encourage the formation of new partnerships and thereby strengthen and legitimize local private firms and NGOs as participants in building local capacity.

This International Action Roundtable for Development would (1) determine specific concrete actions of global benefit that partners from the developed and developing world could take together and galvanize support for these endeavors; and (2) seek, over time and through consultation with all relevant parties, to narrow differences in development strategies to permit countries receiving funding to use it more efficiently and effectively.

Regional roundtables for development should also be considered. Models have been established in Africa, Asia, and Latin America, made up of government leaders, private sector leaders, NGOs, academics and researchers. The focus is on "how to do" and on building broad stable leadership.

Representation to the Roundtable would rotate on a regular basis.

Participants recommended that, as soon as possible, a task force be established to design the objectives and organization of the Roundtable. Having input from

developing countries is important. This task force should prepare a report on the objectives, organization, and operating logistics of the Roundtable.

The task force could be supported by the various stakeholders (private sector, development agencies, foundations, multilateral institutions) and hold its first meeting in 1993. The objective would be to have the International Roundtable operational by the Winter of 1993.

The Roundtable could benefit from additional data regarding capacity building. In parallel with the activity to design the Roundtable itself, a second task force should investigate best practices in capacity building. In six to 12 months, this task force could make specific recommendations for actions that might be taken to form new types of partnerships with new types of instruments to build upon the successful case studies of capacity building.

Other comments on this concept included:

- There is a great need to create a partnership between business, foundations, and government to develop a full-scale example of economically and environmentally sustainable development.
- Possible themes for the Roundtable may be a review of the experience and practice for capacity building; proposals for an R & D support fund; sectoral or country-specific programs of work.
- There is a strong need for genuine interaction with "recipient" countries. Development programs need to be built by developing countries.
- Coordination of development activities could be addressed by the Roundtable.
- Will this body be a concept and planning body? Can it have any teeth? Can it state conditions and contingencies? Can it point out duplication and redundancy between well-meaning organizations and cause them to change directions or fold tents selectively?
- The Roundtable needs to search, honestly and with humility, for a way to hear from and learn from peoples' organizations at the local level in developing countries.

**• Urge the White House and Congress to create a National Action Roundtable for Development, as recommended in the Carnegie Task Force report.**

A National Action Roundtable for Development would work with Congress and the new Administration to design and implement new U.S. policies for development cooperation that center on sustainable development and that result both in new structures and new policy initiatives. In addition, this Roundtable

could help build a U.S. coalition to recommit U.S. support for global development cooperation.

At some future point, the Roundtable should consider the organization of the U.S. aid program: the reorganization of USAID, new legislation, and the U.S. role in the World Bank.

- **Work to build the internal capacity of developing countries, with specific attention to science and technology.**

Efforts should be made to mobilize the scientific and professional communities of technically advanced nations to work on developing country problems, e.g. life sciences, health, agriculture, population, women's issues, energy, and environment.

For developing countries, it is important to assess what it takes to build a scientific community: what does it take to build scientific institutions in a country, a peer review system, journals, a professional reward system? Support for indigenous development of capacity for science and technology is critical. Priority should be given to building science and technology capacity and its adaptation to local circumstances. The concept of centers of excellence within a country or a region, with linkages between such centers, needs to be explored more fully. It is also important for the long-range future to stimulate girls and boys (K-12) to become literate in science and engineering - whether they become scientists/engineers or not - and to foster international networks and exchanges of young people involved with science and technology, especially high school age through college.

- **Introduce greater accountability into the development process.**

Just as Amnesty International has had an historic impact on human rights, a similar institution - hypothetically, "Transparency International" - could promote transparency and openness in development dealings. This should have benefit both in improving development policy and in increasing taxpayer confidence in donor countries.

Such an organization could also continue to ensure that human rights are accepted and that government is accountable to the people. Development depends on freedom of expression and the ability of people to think for themselves.

An international, impartial body is needed to ascertain that knowledge and skills are transferred.

**• Identify humanitarian and development issues in urgent need to attention, consult widely on how best to set priorities, and then mobilize to recommend and pursue concrete, practical solutions.**

Take a universally recognized human priority and by working together, resolve it, to demonstrate what can be done by a total participation partnership. Eliminating malnutrition, eradicating polio or measles, or reducing child mortality would show what is possible with obvious benefits to population growth, the ecology and world equity. This will dramatically demonstrate the power of united action.

We can and should make "children first" our development strategy - other greater things will follow on a healthy educated base of a new generation.

Specific plans could include:

- Continuing to press for cutting hunger in half within the decade and to find ways to link the grassroots with the summit.
- Creating educational plans for countries to begin concentrated focus on training young girls: literacy, health, agriculture, midwifery, teaching children.
- Pressing forward with the "child survival and development resolution" for children, comparable to the "Green Revolution" for agriculture, that is now under way.

**• A systematic professional peer review process to identify the potential of certain areas of research - similar to the CGIAR system - should be put in place for other sectors.**

This peer review process would insure that potential donors would have some way of evaluating development projects. Such an effort could be supported by donors, with some up front agreement that they will participate in the cafeteria of options when it is produced.

## PART III APPENDIXES

- A. Agenda of Meeting
- B. List of Meeting Participants and Brief Biographies
- C. Executive Summary of Carnegie Commission Development Report
- D. Members of the Task Force on Development Organizations

### Appendix A: Agenda of Meeting

#### FRIDAY, DECEMBER 4

**8:30**

*Welcome:*

Jimmy Carter

David Hamburg

**8:40**

*Press Conference: Release of Task Force Report*

Jimmy Carter

David Hamburg

Rodney Nichols

**9:30**

*Presentation*

Topic: What Lessons Have We Learned From Development Successes and Failures?

Speaker: Professor Uma Lele, University of Florida, USA

**10:00**

*Group Discussion*

Topic: A Vision of the Future: What are the key issues for new partnerships in development?

Chair: Jimmy Carter

Presentations:

Cheddi Jagan, President of Guyana

Kassu Yilala, Special Advisor to the President of Ethiopia

Olusegun Obasanjo, former President of Nigeria; Chairman, Africa Leadership Forum

**10.45**

*Group Discussion (continued)*

Moderator: Jimmy Carter

Presentations: All participants

**1:15**

***Group Discussion***

Topic: Forging New Partnerships For Development: A Long-range view from developing countries' perspectives

Chair: Jimmy Carter

Presentations:

José Goldemberg, University of São Paulo, Brazil

Maximo Kalaw, Jr., President, Green Forum - Philippines

Yesu Persaud, President, Institute of Private Investment Development, Guyana

Discussion: All participants

**3:00**

***Group Discussion***

Topic: Forging New Partnerships For Development: A Long-range view from business, government, and multi-lateral institutions

Chair: Jimmy Carter

Presentations:

Stephan Schmidheiny, President, Business Council for Sustainable Development

Keith Bezanson, President, International Development Research Center, Canada

Edward Jaycox, Director, Africa Division, World Bank

Discussion: All participants

**4:30**

***Initial Summary of Recurring Themes and Ideas***

William Foege, Executive Director, The Carter Center of Emory University

**7:00**

***Dinner at Carter center***

**8:00**

***Presentation***

Welcome:

William Foege

Hon. Jabari Simama, Atlanta City Council

Introduction: David Hamburg

Speaker: Jimmy Carter

## **SATURDAY, DECEMBER 5**

**8:30**

*Summary of Friday Discussions*

William Foege

**8:45**

*Address*

Introduction: Jimmy Carter

Speaker: Boutros Boutros-Ghali, Secretary-General of the United Nations

**9:30**

*Group Discussion*

Topic: What Can be Done to Accelerate World Development?

Focus: Internal Capabilities

Chair: James Laney, President, Emory University

Presentations:

William Drayton, President, Ashoka: Innovators for the Public, USA

Ashok Khosla, President, Development Alternatives, India

Discussion: All participants

**11:00**

*Discussion*

Topic: What Can be Done to Accelerate World Development?

Focus: External Responses

Chair: David Hamburg

Presentations:

Jim Grant, Executive Director, UNICEF

Attila Karaosmanoglu, Managing Director, World Bank

Nafis Sadik, Executive Director, United Nations Population Fund

Luis Gómez, Associate Administrator, United Nations Development Programme

Marcel Massé, President, Canadian International Development Agency

Discussion: All participants

**1:15**

*Discussion*



Topic: Recommendation and Adoption of Specific Action-Steps

Chairs: Boutros Boutros-Ghali and Jimmy Carter

**3:00**

*Closing Comments*

David Hamburg

Jimmy Carter

Boutros Boutros-Ghali

**3:30**

*Press Conference*

Jimmy Carter

Boutros Boutros-Ghali

David Hamburg

**4:00**

*Adjourn*

## **Appendix B: List of Meeting Participants and Brief Biographies**

**Asgar Ally** is Minister of Finance of the Republic of Guyana. Dr. Ally graduated from the University of Guyana with a degree in Economics. He later did his post-graduate studies in Monetary Economics at the University of the West Indies. Most of his adult life Dr. Ally lived in Jamaica where he held offices as Deputy Governor of the Jamaica Bank, President of the National Investment Bank of Jamaica and Executive Chairman of the Caribbean Housing Finance Corporation. Dr. Ally also served as Economic Adviser to two former Jamaican Prime Ministers.

**J. Brian Atwood** was recently nominated by President Clinton to direct USAID. For a short period he served as Undersecretary of State for Management after leading the Clinton-Gore Transition Team at the State Department. Since 1986, he served as President of the National Democratic

William Drayton, President, Ashoka: Innovators for the Public, USAInstitute for International Affairs. Mr. Atwood has also served as Executive Director of the Democratic Senatorial Campaign Committee, Vice President for Information and Analysis at International Reporting Information Systems, Dean of Professional

Studies and Academic Affairs at the Foreign Service Institute, and Assistant Secretary of State for Congressional Relations.

**Jesse H. Ausubel** is director of studies of the Carnegie Commission on Science, Technology and Government and a fellow in Science and Public Policy at The Rockefeller University. From 1977 to 1988 Mr. Ausubel was associated with the National Academy complex, serving as a fellow of the National Academy of Sciences, a staff officer with the National Research Council Board on Atmospheric Sciences and Climate, and director of programs for the National Academy of Engineering. He helped organize the first UN World Climate Conference and is the author of numerous publications on technology and environment.

**Jamal Benomar** directs the Human Rights Program for The Carter Center. Dr. Benomar was a political prisoner for eight years in his native country of Morocco. He was adopted as a prisoner of conscience by Amnesty International which campaigned for his release. After working as a lecturer and research associate in African and Middle Eastern politics for the University of Paris, he served for almost five years as an African specialist at the International Secretariat of Amnesty International in London.

**Peter Berry** spent some years in South East Asia as a trader, particularly in Indonesia after the fall of President Sukarno. In 1982 he became the Director for Asia and Pacific for Crown Agents based in Singapore. Crown Agents is a public sector corporation providing development implementation services to Governments throughout the world. In 1984 he returned to London with responsibility also for the Middle East and North Africa. In 1988 he was appointed Chief Executive.

**Keith Bezanson** was appointed President of the International Development Research Center for a five-year term in 1991. He has been Administrative Manager for the Inter-American Development Bank; Canadian Ambassador to Peru and Bolivia; and, for the Canadian International Development Agency, he served as Vice-President of the Americas Branch, Director General of Multilateral

Programs, Regional Director of the East Africa Program, and Chief Planning Officer of the Economic and Technical Cooperation in Anglophone Africa.

**Eric Bord** is a consultant to The Carter Center and former Associate Director of The Center's Latin American program. He has helped launch initiatives in the areas of international negotiation and conflict resolution, global development cooperation, Latin American democratization, and he has observed elections in Nicaragua and Guyana. Mr. Bord received a B.A. in Economics and International Studies and a J.D. with Distinction, both from Emory University.

**Boutros Boutros-Ghali** was appointed Secretary-General of the United Nations for a five-year term in December 1991. Prior to that appointment he served as Deputy Prime Minister for Foreign Affairs of Egypt, and Minister of State for Foreign Affairs. Mr. Boutros-Ghali had been a member of the Egyptian Parliament since 1987, and part of the secretariat of the National Democratic Party since 1980. He has also been Vice President of the Socialist International. During the course of his career, Mr. Boutros-Ghali has received awards and honors from 24 countries.

**Harvey Brooks** was dean of engineering and applied physics at Harvard University from 1957 to 1975. A solid state physicist, he worked in atomic power for the General Electric Company before joining Harvard. After his tenure as dean, Dr. Brooks became Pierce Professor of Technology and Public Policy and was one of the founders of the program in science, technology, and public policy at the Kennedy School of Government. He is currently involved in a research program on dual use technologies, dealing with national policies for the development of technologies that have both military and civilian applications.

**Jimmy Carter**, the 39th President of the United States, is uniquely qualified to lead The Carter Center, which he founded in 1982. He provides both a focus of inquiry and a level of vision and experience unmatched in the public policy community. His access to other international leaders and thinkers brings powerful forces to bear on some of today's most pressing problems.

**Rosalynn Carter** served as honorary chair of the President's Commission on Mental Health and focused on issues of importance to women during the Carter Administration. At the Carter Center, she has continued her vital work, participating in the Center's health programs, chairing the Rosalynn Carter Symposia on Mental Health Policy, and convening the "Women and the Constitution" conference with three other First Ladies in February 1988.

**Marion Creekmore** is Diplomat in Residence at The Carter Center. A career Foreign Service officer, Ambassador Creekmore joined the Department of State in 1965. He became U.S. Ambassador to Sri Lanka in 1989 after having served in South Africa, Ghana, West Germany, and India. He has also served as Deputy Assistant Secretary for International Organizations Affairs; Deputy Director of the Secretary of State's policy planning staff responsible for South Asia and international economic issues; and as Deputy Assistant Secretary of State for Near Eastern and South Asian affairs.

**William Drayton** is president and founder of Ashoka: Innovators for the Public, a global association of and the first venture support service for leading "public entrepreneurs." He is also the chair of Appropriate Technology International and of Environmental Safety. He was a McKinsey and Co. management consultant, taught at Stanford Law School and Harvard's Kennedy School of Government, and served as Assistant Administrator of the U.S. Environmental Protection Agency. He was the recipient of a MacArthur Foundation Prize Fellowship and the Yale School of Management's Award for Entrepreneurship.

**Barbara Finberg** is the Executive Vice President of Carnegie Corporation of New York. Mrs. Finberg earned a Master's degree at the American University in Beirut, where she was a Rotary International Foundation fellow. She was an intern in the U.S. Department of State and served as a foreign affairs officer in the Technical Cooperation Administration of the State Department and as a program director at the Institute of International Education before joining the foundation. She serves on several nonprofit boards and is a member of the Council on Foreign Relations.

**William H. Foege** is an epidemiologist who is widely recognized as a key member of the successful campaign to eradicate smallpox in the 1960s and 1970s. His distinguished career is highlighted by six years as Director of the U.S. Centers for Disease Control and his term as Executive Director of The Carter Center from 1986 through 1992. Dr. Foege is Carter Center Fellow for Health Policy and Executive Director of The Task Force for Child Survival and Development. He writes and lectures frequently on such issues as child survival and development, the global tobacco plague, medical ethics, and preventive medicine.

**Berhane Gebre-Kristos** is Ethiopia's ambassador to the United States.

**José Goldemberg** earned his Ph.D. in Physical Science from the University of São Paulo of which he is Former Rector and Full Professor. Professor Goldemberg has served as the President of the Brazilian Association for the Advancement of Science and as the Secretary of State for Science and Technology in Brazil and Minister of State for Education in Brazil until August 1992. He has authored many technical papers and books on nuclear physics and energy in general.

**Luis M. Gómez**, a national of Argentina, is currently the Associate Administrator of the United Nations Development Program. His career with the United Nations began in 1966, and he has held such positions as Resident Representative in Uruguay, Chief of Integrated Systems Improvement, Assistant Secretary-General for Program Planning and Budget, Controller and Acting Under-Secretary-General for Administration and Management. Mr. Gómez holds a law degree from the University of Buenos Aires.

**James P. Grant** became the third Executive Director of the United Nations Children's Fund and Under-Secretary General of the United Nations in 1980. He came to UNICEF from the Overseas Development Council, which he served as President and Chief Executive Officer since its establishment in 1969. Mr. Grant had previously served with the United States Agency for International Development as an Assistant Administrator, and as Director of the AID program

in Turkey with the personal rank of Minister. Mr. Grant has served as director of a number of organizations involved with development issues.

**Gary Gunderson** is Director of Operations, Interfaith Health Resource Center, The Carter Center of Emory University, and Senior Consultant for Democracy and Economic Development, Africa Governance Program at The Carter Center. He also serves as Honorary Consul in Atlanta for the country of Burkina Faso; chairs the Africa Trade and Investment Committee, Dekalb County Chamber of Commerce, and maintains ongoing consulting relationships with U.S. firms and international agencies involved in private sector development in Africa.

**David Hamburg** has been President of Carnegie Corporation of New York since 1983. He was Professor and Chairman of the Department of Psychiatry Psychiatry and Behavioral Sciences at Stanford University from 1961-72, and Reed-Hodgson Professor of Human Biology from 1972-76; President of the Institute of Medicine, National Academy of Sciences, 1975-80; Director of the Division of Health Policy Research and Education and John D. MacArthur Professor of Health Policy at Harvard University, 1980-82. He served as President, then Chairman of the Board of the American Association for the Advancement of Science, 1984-86. Dr. Hamburg received the American Psychiatric Association's Distinguished Service Award in 1992.

**John B. Hardman** is Executive Director and Chief Executive Officer of The Carter Center. Prior to his appointment, he served in such capacities as Associate Executive Director and Chief Operating Officer, Senior Health Consultant, Director of The Carter Center Initiative to Reduce Global Tobacco Use, and Director of the Mental Health Program. Dr. Hardman has also worked for the World Health Organization as director of the Health Protection and Promotion Division, Tobacco and Health Program. Dr. Hardman has served as President of the Georgia Psychiatric Physicians Association, the Georgia Council of Child and Adolescent Psychiatry, and Leadership Georgia.

**R. Jerry Hargitt** is the Vice-President of Recruiting for the International Executive Service Corps in Stamford, Connecticut. Mr. Hargitt was Director of Operations

for IESC/Egypt from 1988-1991. IESC, a PVO utilizing volunteers for technical assistance, has completed more than 15,000 projects in 100-plus countries since 1964. He went to IESC after enjoying a 30-year career with Northwestern Bell, Omaha.

**Michael Heisler** completed his residency training in Internal Medicine at the Oregon Health Sciences University and his Masters in Public Health at the Harvard School of Public Health. Dr. Heisler has held faculty appointments in Medicine at a number of academic medical centers in the United States. He has also lived and worked in the Ivory Coast and later in Kenya. Dr. Heisler has been a member of the staff of the Task Force for Child Survival and Development since July 1991 with primary responsibility for directing the Task Force's Mectizan Program for the control of river blindness.

**Linda Helms** is Assistant Director of Programs at The Carter Center of Emory University. She manages the internship program which creates opportunities for students to participate in the various programs of The Center. Ms. Helms also directs various international education projects, providing current information for students, educators and the general public on specific issues concerning human rights, conflict resolution and democratization. She serves as a member of the International Education Advisory Board for the Georgia Department of Education and is program adviser for the Center for Ethics in Public Policy and the Disciplines at Emory University.

**Steven H. Hochman** is Associate Director of Programs and Senior Research Associate at The Carter Center of Emory University, and is an adjunct professor in the Emory Department of History. He serves as assistant to President Jimmy Carter, with special responsibility for academic and scholarly affairs. He received a Ph.D. in History from the University of Virginia, and in his research and writings has focused on the history of the United States and the American Presidency.

**Cheddi Jagan** has been President of the Co-operative Republic of Guyana since October of 1992. The son of indentured plantation workers, Dr. Jagan founded the People Progressive Party (PPP) in 1950, and headed three elected PPP

governments. From 1966-73 and 1976-92, he was Leader of the Political Opposition in Guyana. Since 1970 he has served as Honorary President of the Guyana Agricultural and General Workers' Union, and General Secretary of the PPP; and since 1975 he has been President of the Guyana Peace Council and a member of the Presidential Council of the World Peace Council.

**Edward V.K. Jaycox** was appointed Vice President, Africa Region, for the World Bank in 1987. A U.S. national, Mr. Jaycox joined the Bank in 1964 through the Young Professionals Program, and later served as an Economist in the Transportation Division of the Projects Department. Since then he has served as Deputy Division Chief in Highways Division II; Chief of Railways Division; Deputy Director; and Director, Transportation Projects Department; Director of the Urban Projects Department; Director of the East Asia and Pacific Country Programs Department; and Vice President, Eastern and Southern Africa Regional Office.

**Bekki Johnson** is Assistant Director of Operations for Programs at Global 2000 of The Carter Center, where she directs The Center's new environmental initiative. Before coming to Global 2000, Dr. Johnson served as Africare's Country Representative in Nigeria, where she oversaw activities in child survival, family planning, small-scale agriculture and water development, AIDS prevention, and income-generating projects for rural women. She has also worked in Ghana, Kenya, Japan, Micronesia, and the U.S., and has planned, conducted, or advised on evaluations of health programs in Africa and in the U.S.

**George F. Jones** has been United States Ambassador to Guyana since January 18, 1992. He has been a career Foreign Service Officer since 1956, and has served in Ecuador, Ghana, Venezuela, Guatemala, Costa Rica, and Chile, and as Senior Adviser for Latin American and Caribbean Affairs to the U.S. delegation to the United Nations General Assembly.

**Richard Joseph**, a Professor of Political Science at Emory University, is a Fellow of The Carter Center and Director of the African Governance Program. He has recently directed election observer missions in Zambia and Ghana and is responsible for The Center's role in preparing for elections to reunify Liberia. Dr.



Joseph has written extensively on issues of governance, democratization and impediments to development in Africa.

**Maximo Kalaw, Jr.**, focuses on issues concerning ecology and development. He is active with several NGOs, among them the Philippine Institute of Alternative Futures, which translates personal growth to social transformation through alternative development strategies; the Haribon Foundation, a conservation group turned advocate for sustainable development; and Green Forum-Philippines, a coalition of peoples' organizations, NGOs and church groups under the sustainable development agenda. He was co-chair of the International NGO Forum (INGOF) at the UNCED conference in Rio.

**Attila Karaosmanoglu** has been the Managing Director of the World Bank since 1991. Prior to that he was the Vice President of the Asia Regional Office and the East Asia and Pacific Regional Office of the World Bank. Dr. Karaosmanoglu is a native of Turkey where he has served as Deputy Prime Minister and Head of Economic Planning Department in the State Planning Organization. The recipient of a B.A. from the University of Ankara and a Ph.D. in Economics from the University of Istanbul, he has been a Visiting Scholar at Harvard University and an Exchange Faculty Member at New York University.

**Robert W. Kates** directs the Feinstein World Hunger Program at Brown University where his work focuses on the prevalence and persistence of hunger, long-term population dynamics, sustainability of the biosphere, and natural technological hazards. Professor Kates received a Ph.D. from the University of Chicago, and from 1962 to 1986 served on the faculty at Clark University. From 1967 to 1969 Professor Kates directed the Bureau of Land Use Planning in Tanzania. Professor Kates is a member of the National Academy of Sciences and in 1991 received the Presidential Medal of Science.

**Ashok Khosla** is President of Development Alternatives, a not-for-profit corporation working in India and overseas on issues of sustainable development. The primary activities of the organization include design, production and marketing of village technologies, environment and natural resource

management methods and institutional design. He is Chairman of the International Facilitating Committee for the independent sectors which organized the 1992 Global Forum at the time of the Earth Summit in Rio de Janeiro. Earlier he was Director of Infoterra, and before that Director of the Office of Environment, Government of India.

**James T. Laney** has been president of Emory University since 1977, having begun his career at Emory in 1969 when he was named Dean of the Candler School of Theology. An ordained United Methodist minister, his principal field of scholarship is ethics and the moral life. Dr. Laney received a fellowship from the Woodrow Wilson Center for International Studies in July 1987 and, in 1991, was named to participate in the Carnegie Endowment National Commission on American and the New World. He is currently working with President Jimmy Carter on the Atlanta Project, a collaborative effort to pool Atlanta's resources to address specific needs in the greater community.

**Uma Lele** joined the University of Florida in January 1990 as Graduate Research Professor of International Development Economics in the Food and Resource Economics Department of the Institute of Food and Agricultural Science, and in 1991, she also became Director of International Studies and Programs.

Professor Lele worked in the World Bank (for which she is still a consultant) from 1971 to 1991, most recently as manager of Agriculture Policy in the Technical Department of the Africa Region. A widely-published author, her most recent work is *Aid to African Agriculture: Lessons from Two Decades of Donors' Experience*.

**Michael Manley** was Prime Minister of Jamaica from 1972-80 and from 1989 to March of 1992. He has been Leader of the People's National Party, President of the National Workers' Union, Vice President of the Socialist International and Chairman of its International Economic Committee. Manley was awarded the United Nations gold medal for contribution to struggle against apartheid.

**Geraldine P. Mannion** is a program officer at Carnegie Corporation of New York focusing on strengthening democratic institutions, conflict resolution, science

policy, and strengthening philanthropy and the nonprofit sector. Prior to joining the Corporation in 1988, she was a consultant to the International Affairs Program, Ford Foundation, and a program associate with the International Relations Program Rockefeller Foundation. She has a B.A. in English and an M.A. in Political Science, both from Fordham University.

**Ray Marshall** currently holds the Audre and Bernard Rapoport Centennial Chair in Economics and Public Affairs at the University of Texas-Austin. He served as U.S. Secretary of Labor from 1977-1981. His most recent book is *Thinking for a Living: Education and the Wealth of Nations*.

**Stanley I. Mason**, an inventor, is Adjunct Professor at the University of Connecticut School of Business, where he teaches Entrepreneurship in the MBA Program. He also heads the Mason Research Foundation where he has been commercializing an ancient Chinese tree as an alternative energy source to replace fossil fuels. In 1991-92 the MRF organized and led sophisticated faculties to teach Entrepreneurship, Free Enterprise, and Invention in several cities in China, Russia and The Congo.

**Marcel Massé** has been President of Canadian International Development Agency (CIDA) since September 1989. Prior to that he was Canada's Under-Secretary of State for External Affairs. He was President of CIDA as well from 1980-82. In Ottawa, Mr. Massé served as Secretary to the Cabinet and Clerk, and Deputy Secretary to the Cabinet, and Economic Adviser; and for the Province of New Brunswick, he served as Chairman of the Cabinet Secretariat and Deputy Minister of Finance. His published works include "An Evaluation of Investment Appraisal Methods," for the World Bank.

**Charles C. Matteson**, the Chairman of Matteson Companies International, is an entrepreneur with broad experience in creating new consumer-oriented companies. As a Director of the Great Eastern Development Co. Ltd., he created and managed multi-million dollar consulting groups in the U.S., Canada and Europe. Mr. Matteson advised on investment, economics, and political conditions

and market developments in the Far East and China, United Kingdom, Canada, Germany, France and Italy.

**M. Peter McPherson** is presently Group Executive Vice President of Bank of America, responsible for Latin America, Canada, global debt restructuring, and international private banking. Before joining the private sector, Mr. McPherson held a number of government positions, notably Deputy Secretary of Treasury and Administrator of Agency for International Development, the position which he held for seven years.

**Baelhadj Merghoub** is the North American Resident Director of the African Development Bank for which he has also served as Director of Programs in the Southern Region. From 1970 to 1978 Dr. Merghoub worked for the World Bank, most recently as Operations Division Chief. He received a Ph.D. in Political Science from Paris University, as well as separate Masters degrees in Economics and Political Science.

**John Peterson Myers** is Director of the W. Alton Jones Foundation, a private foundation supporting work to protect the global environment and to reduce the likelihood of nuclear warfare. Dr. Myers' scientific research began with studies on behavioral ecology of migratory birds and in wetland conservation. His work during the last decade has moved increasingly toward public policy issue in environmental protection. From 1987 to 1990 he was Senior Vice President for Science at the National Audubon Society.

**Joyce Neu** is Associate Director of the Conflict Resolution Program at The Carter Center of Emory University. Dr. Neu holds a Ph.D. in Linguistics from the University of Southern California, and her research and publications focus on the role of language in negotiation. Dr. Neu has taught at universities in California and Pennsylvania, has served as a Fulbright Senior Lecturer in Poland, and has consulted for the United States Information Agency in Niger and Poland.

**Rodney W. Nichols** is chief executive officer of the New York Academy of Sciences. Mr. Nichols served as Vice President and Executive Vice President of The Rockefeller University from 1970 to 1990. Trained in applied physics at

Harvard, he was one of the leaders of the U.S. delegation to the 1979 UN Conference on Science and Technology for Development. During 1990-1992, Mr. Nichols was a scholar-in-residence with Carnegie Corporation of New York and was the principal author of *Science and Technology in U.S. International Affairs*, a report of the Carnegie Commission on Science, Technology, and Government.

**Olusegun Obasanjo** began his thirty-year career of national and international public service in the Nigerian military. He was Nigeria's Head of State and the Commander-in-Chief of the Armed Forces from 1976 through 1979. In 1979, he became the first African military ruler to voluntarily organize democratic elections and the orderly transfer of power to civilian government. He is currently a member of the InterAction Council of former heads of government, and he is a founder and chairman of the African Leadership Forum.

**Robert Pastor** is Professor of Political Science at Emory University and Director of the Latin American and Caribbean Program at Emory's Carter Center. He is also the Executive Secretary of the Council of Freely-Elected Heads of Government, a group chaired by former President Jimmy Carter that includes 21 current and former Presidents from the Americas, and has observed elections in seven countries in the hemisphere. Dr. Pastor is the author of nine books, including, most recently, *Whirlpool: U.S. Foreign Policy Toward Latin America and the Caribbean* (Princeton, 1992).

**Yesu Persaud** served for a short period in the Guyana civil service, but most of his business career was in the private sector in various capacities. He is presently Executive Chairman of Demerara Distillers Limited. Mr. Persaud is Founder and Chairmand of the Institute of Private Enterprise Development, and is the President of Guyana Manufacturers Association. He was also one of the driving forces in providing private sector assistance in Guyana's recent struggle for reclamation of democracy.

**Barbara Y. E. Pyle** is Vice President of Environmental Policy for Turner Broadcasting System, Inc. (TBS), Executive Producer of the International Documentary Unit and CNN's Environmental Editor for TBS. Ms. Pyle

represented all global broadcast media on the International Facilitating Committee of the Independent Sectors for the UN Conference on Environment and Development in Brazil in June of 1992. Her honors include being named a UN GLOBAL 500 Laureate, and receiving the World Fellowship Award from the International Quorum of Film & Video Producers for "Without Borders."

**Susan Ueber Raymond** holds a Ph.D. in international and public health from the Johns Hopkins University. She has worked as a program manager and project officer, financial analyst, negotiator, and designer of databases, specializing in health and medical systems and international economics. Dr. Raymond worked for the World Bank from 1987 to 1990. From 1980 to 1984 she was senior vice president at the Center for Public Resources in New York City. She has consulted extensively with the U.S. Agency for International Development, and was one of the principal authors of the 1989 AID report Development and the National Interest.

**David Z. Robinson** became the Executive Director of the Carnegie Commission on Science, Technology and Government in 1988, having become Vice President of Carnegie Corporation in 1970, and in 1986, Executive Vice President and Treasurer. At Carnegie, in addition to his administrative duties, he has worked closely with the programs and projects dealing with higher education, public broadcasting, college retirement, avoiding nuclear war, and science education.

**Maxine Rockoff** is the Senior Administrator with the Carnegie Commission on Science, Technology and Government, and has been a principal in Clark, Rockoff and Associates since 1985. Previously she has been Vice President and Director of Branch Group Automation at Paine Webber, and Vice President for Planning and Research at the Corporation for Public Broadcasting and Program Analyst at the Department of Energy. At the Department of Health, Education and Welfare from 1971 through 1978, she initiated and managed a telecommunications research and development program for improving health care delivery.

**Jon Eliot Rohde** resides in India as Senior Adviser to UNICEF, concerned with the implementation of child health and child survival programs in India and neighboring countries. Since 1968, Dr. Rohde has lived and worked in developing countries serving as Visiting Professor of Pediatrics for seven years in Indonesia with the Rockefeller Foundation, performing research on diarrheal disease in Dhaka, leading Rural Health Programs in Haiti, and assisting WHO, UNICEF, and other international Organizations in various consultations and activities related to child health throughout the developing world, particularly Asian countries.

**Maryann Roper** is a science consultant at The Carter Center of Emory University in Atlanta, Georgia. She received her M.D. from the Pennsylvania State University/Hershey College of Medicine. A pediatric oncologist, Dr. Roper has served on the medical school faculties of the University of Alabama and Georgetown University. Before joining The Carter Center, Dr. Roper was Deputy Director of the National Cancer Institute at the National Institutes of Health, Bethesda, Maryland.

**Patricia Rosenfield** is the Program Chair of Carnegie Corporation's grant program for Strengthening Human Resources in Developing Countries. Dr. Rosenfield developed and managed the Social and Economic Research component of the United Nations Development Program/World Bank/WHO Special Program for Research and Training in Tropical Diseases (TDR), and was also Program Economist for WHO. Prior to joining WHO, she was Research Associate at Resources for the Future, where she worked on problems of the human environment associated with economic development.

**Nafis Sadik**, was the first woman Director-General of Pakistan's National Family Planning Program, and as Executive Director of the United Nations Population Fund, is the first woman in the history of the United Nations to head one of its major voluntary programs. Dr. Sadik, a national of Pakistan, received her MD from Dow Medical College, completing further studies at The Johns Hopkins University. The recipient of many awards, Dr. Sadik has made numerous

contributions to advancing the cause of women and to alleviating problems associated with population growth.

**Francisco R. Sagasti** served from 1987 to 1991 as chief of strategic planning for the World Bank. Earlier Dr. Sagasti served as an adviser to the Peruvian Ministries of Foreign Affairs and Planning and Industry, and as a board member of an engineering design firm and professor at the Universidad del Pacifico in Lima. In 199 he worked closely with the Secretary-General in the planning of the United Nations Conference on Science and Technology for Development and later chaired the UN Advisory Committee on Science and Technology for Development. From 1973 to 1978 Dr. Sagasti led an international study of S & T policies in ten developing countries.

**Paul Sarbanes** was elected to the United States Senate in 1976 and was re-elected in 1982 and 1988. He serves as Chairmand of the Joint Economic Committee, and is a member of the Senate Foreign Relations Committee and the Senate Committee on Banking. The Vice-Chairman of the Democratic Policy Committee and the Chairmand of the Maryland Congressional Delegation, Sarbanes also served on the Senate Select Committee on Secret military Assistance to Iran and the Nicaraguan Opposition.

**Stephan Schmidheiny** is President of The Business Council for Sustainable Development and Chairmand of a family-owned multinational industrial group. Its interests include activities in various sectors of manufacturing industry and trade. Dr. Schmidheiny is a member of the Boards of ABB Asea Brown Boveri, Landis & Gyr, Leica, Nestlé, SMH and Union Bank of Switzerland. He further serves as chairman of the FUNDES foundation, promoting small business enterprises in Latin America. He acted as Principal Adviser for Business and Industry to Maurice Strong, Secretary-General of ECO 1992 (United Nations Conference on Environment & Development -UNCED).

**John W. Sewell** has been President of the Overseas Development Council since 1980. Prior to joining the Council he worked at the Brookings Institution, served in the Foreign Service of the United States, and in the Research Bureau of the



Department of State. Mr. Sewell has written or co-authored several publications, including the recent *Challenges and Priorities in the 1990's: An Alternative U.S. International Affairs Budget, FY 1993*. He is a member/trustee of several boards, advisory boards, committees and panels, including the Bretton Woods Committee, World Resources Institute, The Carter Center, InterAction, and the International Center for Research on Women.

**Adele Simmons** is President of the John D. and Catherine T. MacArthur Foundation, one of the nation's largest philanthropic foundations. Prior to her arrival at MacArthur she was President of Hampshire College in Amherst, Massachusetts. She was Dean of Student Affairs and Assistant Professor of History at Princeton University and before that, Dean of Jackson College at Tufts University. Simmons serves on the boards of the First Chicago Corporation and the Marsh and McLennan Companies. She is a member of the Independent Commission on International Cooperation and its Institutions. Simmons has served as a member of the President's Commission on World Hunger.

**Paul Simon**, Illinois' junior U.S. senator, is a writer and former newspaper editor and publisher. His career has been highlighted by a newspaper crusade against a corrupt political machine, landmark legislative achievements in Illinois state government, and an advocacy in Illinois and in Congress of good-government reforms and of "a government that cares." Championing the interests of working families and others needing a voice in the nation's affairs, Simon has shown his effectiveness with a wide-ranging agenda, emphasizing education, job training and health care. His twelve published books include *A Hungry World*, *The Politics of World Hunger* and *Let's Put America Back to Work*.

**Daniel J. Socolow** is Senior Adviser and Director of Programs at The Carter Center. Formerly President of The American University of Paris, and Vice President of Spelman College in Atlanta, Dr. Socolow held academic and administrative positions in the Ford Foundation, the National Institute of Education, the State University of New York, and the University of Chicago. A

specialist in international institutions and educational systems, he holds a Ph.D. and M.A. from the University of Chicago and Harvard University, respectively. **Kenneth W. Stein** is the Middle East Fellow of The Carter Center. He is also an Associate Professor of Near Eastern History and Political Science at Emory University and the Director of the Middle East Research Program. He is President Carter's adviser on Middle Eastern affairs. The focus of his scholarship and teaching is the origins and development of the Arab-Israeli conflict, modern Arab politics, and the history of modern Israel. His most recent journal article, "The Clinton Administration and the Arab-Israeli Peace Process: Apprehensions, Realities and Prospects," appeared in the January 1993 issues of *Politique étrangère* and *Europa Archiv*.

**Craig Withers** has been the Associate Director of Operations, Global 2000, The Carter Center for two years. Global 2000 has 19 international development projects in health, rehabilitation, agriculture, and environment in 15 African and Asian countries. Before moving into this current position, he established and then managed for two and one-half years the Global 2000 Nigeria Guinea Worm Eradication Program based in Lagos, Nigeria. Prior to joining Global 2000, he worked at the Centers for Disease Control, most recently in the CDC Washington Office where he was an adviser on issues related to occupational and environmental health, and AIDS.

**Pam Wuichet** was appointed Director of Development at The Carter Center in August, 1992, after having served three years as Director of Corporate and Foundation Relations at Emory University. Prior to that, Pam, who holds a B.A. in Art History from Mary Washington College of the University of Virginia, established the first Office of Foundation Relations at Rollins College in Winter Park, Florida. With over a decade of fund-raising experience, Pam has directed workshops sponsored by the Council for the Advancement and Support of Education and served on grant review panels for the National Endowment for the Humanities.

**Kassu Yilala** is Special Advisor for Economic and Development Affairs to President Meles Zenawi of Ethiopia.

**Andrew Young** is the Chairman of Law International, Inc., a subsidiary of Law Companies Group, Inc., for which he serves as Executive Consultant. During the civil rights movement of the 1960's, Young worked as a top aide aide to Dr. Martin Luther King. He was elected to three terms in the United States Congress, resigning in 1977 to become United States Ambassador to the United Nations under President Jimmy Carter. During his two terms as Mayor of Atlanta, Georgia, over half a million jobs were created, and the metropolitan region attracted more than 70 billion dollars in private investment and construction.

## **APPENDIX C: Executive Summary of Carnegie Commission Development Report**

### ***PARTNERSHIPS FOR GLOBAL DEVELOPMENT: A Clearing Horizon***

The Report of The Carnegie Commission on Science, Technology and Government Task Force on Development Organizations \*

## **CHAPTER 1: THE CASE AND THE RECOMMENDATIONS IN BRIEF TIME FOR RENEWAL IN A WORLD OF CHANGE**

It is long past time to renew the content and form of the relations between the United States and the diverse countries loosely called "the developing world." Many of these countries, late to develop modern economies, are home to hundreds of millions of people still painfully burdened with illness and poverty. Many others have made great progress over the past generation. Moreover, there is a conjuncture today of welcome geopolitical change with a worldwide move toward market economies.

Although the situation is fluid, and hazards and reversals are all too obvious, these changes offer enormous opportunities. The world could move from merely preserving an armed truce, with bitter ideological tension, toward achieving peace, democracy, sustainable economic growth, and improvement in the quality

of life. Yet in the United States existing laws and apparatus for "assistance" - or better, for cooperation for development - are outdated. Even the will to support programs abroad may sometimes seem lacking. So the United States must define a new strategy, with firmer criteria, to govern the choice of its programs and its investments for international development. In renewing both the national commitment and the governmental organizations to pursue that strategy, the theme should be "Partnerships for Global Development."

Some say the failures of the United States to ensure equality of opportunity and a decent standard of living for everyone calls into question America's right to prescribe societal changes elsewhere. And some argue that scarce resources should be applied to resolution of domestic problems, rather than devoted to "foreign aid" - charity, after all, begins at home. Yet improving economic (and, indeed, political) conditions throughout the world is not only correct, but necessary - it is ethical self-interest grounded in the principles of political and economic liberty endorsed by the United Nations and by free peoples everywhere.

What is advocated here is not outmoded "foreign aid" but modern partnerships for global development. As peace and prosperity spread throughout parts of the world now crippled by unrest and poverty, economic opportunities for America will increase, and the reduction in international tension will mean that every nation can turn to its own pressing domestic needs. The United States has a chance not only to do good but to do well, to foster independence everywhere and to reestablish leadership for durable interdependence.

Still, any report on the controversial subject of "foreign assistance" must confront the three classical questions: Why? - is the rationale sound? What? - do the programs make the best sense? How? - is the implementation effective? The report's findings and conclusions answer these questions. This summary gives the case in brief, along with recommendations for action.

## **THE CASE**

### **IN THE NATIONAL INTEREST**

The United States has compelling interests - a mix of humanitarian, economic, and security reasons - to promote cooperation for development. American goals in health, environment, jobs, exports, and conflict resolution are all interdependent with the actions of others around the world. Moreover, as the world's most powerful nation - with a tradition of generosity as well as leadership in science and technology - the United States brings unique assets to a partnership for development.

A basic principle of American cooperation will remain: to foster everywhere the balanced development of the private, public, and independent sectors. The resulting pluralism nurtures diversity and encourages constructive competition that will test and improve even the best ideas. Cooperation of this kind can be achieved only by broader and better-balanced participation of the different sectors in the United States and in all donor countries. The overall U.S. aim in successful partnerships with every country is the establishment of sound public administration, a culture of lively enterprises, a healthy not-for-profit independent sector, and a shared commitment to political freedom, social opportunity, and unfettered worldwide trade.

### **SCIENCE AND TECHNOLOGY: A KEY TO THE FUTURE**

For the 1990s on into the 21st century, science and technology will continue to be a linchpin in the efforts to achieve most of the world's social and economic goals. They undergird the research that creates needed knowledge. They help build the education and training systems that advance skills. And they thrive with the freedoms of inquiry, communication, and association that ensure, and are ensured by, democracy and liberty.

## **PROGRAM CRITERIA AND ILLUSTRATIONS**

What programs shall the partnerships select? Along with intrinsic merit, there are four criteria for the selection, design, and conduct of programs in any country.

One criterion is the policy environment, especially economic trends. A second is the prospect for ecological and social sustainability. A third criterion is the potential to build human and institutional capability to solve future problems.

Fourth, partnerships need sturdy lines of communication to promote the social understanding that enables the establishment of mutual objectives and shared responsibilities.

As these criteria are applied, initiatives of immediate importance to the alleviation of desperate human suffering must be pursued, employing what we already know. At the same time, a longer-term outlook must challenge the vast potential of science and technology to discover better means for accelerating social advance by applying new ideas.

Many goals demand urgent application of the potential of science and technology: halving world hunger, reducing the incidence and the toll of tuberculosis, protecting and restoring the earth's forests where they are at risk, building the capacity for economic policymaking in the nations of the so-called Third World, and relating the U.S. educational enterprise to the needs and aims of development. Programs are needed in all these areas, and more; and programs already established - some many years ago - must be updated to make best use of science and technology for development.

## **U.S. ACTION**

How shall the United States proceed? Renewed U.S. cooperation in global development will require a significant strengthening of national and governmental capacity and willingness to work with the full spectrum of developing countries, from the poorest to the newly industrialized. Moreover, the United States must enhance its efforts to help solve problems that cut across national borders, notably in health and the environment.

Programs must be driven by needs in the field. They must be freed from outdated objectives as well as from the obsolete political, economic, and geographic constraints that in the past determined eligibility for action and funding.

Cooperative development must establish a more effective balance between growth and equity, management and participation, large-scale and small-scale endeavors, global campaigns and local needs, and the establishment of rules and norms and investment in bricks and mortar. Technological savvy - an awareness of what might work, and an analysis of why and how - will be essential for almost every program.

An imperative for implementing the next generation's partnerships in global development is that the United States must harness much more fully the power of its own pluralism. Government at the federal, state, and city level - along with the private for-profit sector - must reach out to the independent sector, including private voluntary organizations, universities, and foundations. All must improve their ability to work together across institutional lines, forming coalitions to press ahead on the actions needed internationally.

## **THE RECOMMENDATIONS**

The recommendations touch upon every area of activity of the United States and illuminate the many new ways in which action must be taken in international partnerships.

### **NATIONAL ACTION**

- To foster creative cooperation among all U.S. institutions, a National Action Roundtable for International Development should be created, with balanced representation from the private, governmental, and independent sectors (see pages 84-85). The purpose of the Action Roundtable would be to review the evidence on trends and then catalyze the formation of specific task forces to address urgent problems. Some task forces would focus on a particular nation or region, others on a technological opportunity, and still others on a longer-range process such as educational institution building - every group proceeding on a

specific plan and timetable. Each action would be clearly in the international interest, and each would need to be justified in a convincing way to the American public.

### **MULTILATERAL ACTION**

- **The United States should encourage and take a leading role in an analysis of multilateral organizations to identify opportunities to improve their performance, frequently by using science and technology more perceptively** (see pages 102-103). As critical as change in the national strategy is, a change in outlook on the world is also crucial. In short, multilateral action is often the best way to solve global problems.
- **Greatly enhanced means must be devised for coordinating the ongoing efforts of the major donors** (see page 102). Such coordination would be aimed at achieving better results, given the changing circumstances in the field. Special attention should be given to the international capacity for studies and research on the most difficult and longest-range problems in science and on technology pertinent to development: new institutions may be needed. The increased emphasis on multilateral work and enhancing donor coordination will by no means eliminate the vital roles for bilateral programs.

### **WHITE HOUSE AND CONGRESSIONAL ACTION**

The most important recommendations for the federal government are directed at the highest levels of the Executive and Legislative branches.

- **The White House must take the lead** (see pages 85 and 91-92). Entrenched interests, institutional inertia, and organizational complexity - developed over more than forty years - require the President to articulate anew the principles and long-range priorities for cooperation with the entire range of developing countries. A bipartisan outlook will be essential. Presidential guidance should draw upon an intensive review by all relevant federal agencies of their current and desired activities with and in developing countries. To be completed during 1993, this complex review must be started now.



- **Concurrent with new presidential leadership, the Congress should initiate broad consultations, studies, and hearings that will lead to major reform of "foreign assistance" legislation and oversight** (see pages 86-90). Given the public's skepticism about "foreign aid," and the many domestic urgencies, the political problems in Congress are exceedingly difficult. Yet in recent years, sweeping and constructive changes have been outlined by congressional and executive leaders of both parties. These new paths must be taken. At a minimum, the reforms include setting only a few broad goals, imposing much less detailed constraints on programs and funds, and relating global development strategy to foreign policy aims while keeping U.S. economic and social goals in sharp focus.

#### **INDEPENDENT SECTOR**

- **Leading organizations in the independent sector concerned with partnerships for development using science and technology should explore new mechanisms for regular exchange of information and extension of voluntary networks to address common concerns** (see pages 82-83). The mechanisms should be sharply problem-oriented so that participants see their shared mission and fulfill action-plans. Although universities, foundations, and many nonprofit centers have extraordinary competence, their effort has been fragmented, and it has not been shored up with long range research.

#### **PRIVATE SECTOR - BUSINESS, LABOR, AND INDUSTRY**

- **Major private-sector organizations should form study groups and action-oriented panels on the key issues in international development** (see pages 83-84). The point is to link high-level U.S. business executives for exchanges of ideas about economic policy, both domestic and international, concerned with long-range global development. U.S. private enterprise and labor must recognize and act to realize the benefits of trade with developing countries and the rewards of the accelerated global economic growth that will accompany cooperation for development. The proposed National Action Roundtable should facilitate

communications with the independent sector and with government so that the private sector can become more broadly engaged.

### **EXECUTIVE AGENCIES**

- **The means for interagency program development must be strengthened** (see page 92). Many federal departments and agencies with science and technology capabilities participate in foreign projects, but there is much too little coordination for development across agencies.
- **To fulfill its mandate, the Agency for International Development (AID) must increase its access to American expertise in science and technology, enhance staff skills, decentralize authority, improve long-range planning, and match its organization to evolving international conditions** (see pages 92-97). AID is the U.S. Government organization with the most significant explicit financial and policy responsibility for "foreign assistance." Although presidential leadership and legislative reform will have to precede AID renewal, recent appraisals of AID have made abundantly clear what must be done - and the task, while difficult, is feasible.

### **RESOURCES**

- **The United States can afford to - and should - rededicate itself to a fair share of the effort on urgent development in Africa, Latin America, Asia, and the Middle East and, at the same time, reach out to the extraordinary opportunities in Eastern Europe and the former Soviet Union** (see pages 103-105). Even with constrained national budgets in the United States (and in other donor nations), surely there should be plans for a shift in "aid" budgets from military to development purposes. In parallel, the developing countries should shift their expenditures from military to civil accounts. Furthermore, these shift of public resources must be integrated into the vastly larger context of the flows of private savings and investments throughout the world. Overall, new strategies must place public funds within a framework that enhances private incentives for economic growth.

### **CREATIVE COMMITMENT NOW**

It is time to break away from the obsolete images of the world of the 1960s, the 1970, and the 1980s. That world no longer exists. Now is a rare moment, a clearing horizon of historic opportunity, for all nations to promote peace, liberty, and global prosperity through partnerships. It is a unique time for creativity, comparable to the era immediately after World War II. Concepts, laws, and institutions must change. The stakes are high. So are the chances for success. It is time for the United States to use its human and financial resources to make the world economy work for everyone - and to help provide for those for whom the world economy currently does not. For many reasons - humanitarian, economic, and security - this is, indeed, profoundly in the national interest.

#### **APPENDIX D: Members of the Task Force on Development Organizations**

**Jimmy Carter** (Chair), 39th President of the United States

**Rodney M. Nichols** (Vice Chair), Chief Executive Officer, New York Academy of Sciences

**Anne L. Armstrong** [1](#), former Chairperson, The President's Foreign Intelligence Advisory Board

**Harvey Brooks**, Professor Emeritus of Technology and Public Policy, Harvard University

**John R. Evans**, Chairman of the Board, The Rockefeller Foundation, also Chairman, Allelix Inc.

**Robert W. Kates**, Director, World Hunger Program, Brown University

**John P. Lewis**, Professor, Department of Economics, Princeton University

**Lydia P. Makhubu**, Vice Chancellor, University of Swaziland

**M. Peter McPherson**, Executive Vice President, Bank of America

**Rutherford M. Poats**, Consultant, The World Bank

**Francisco R. Sagasti**, Division Chief, Strategic Planning, The World Bank

**George P. Shultz** (senior advisor)

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**Note \*:** *To obtain a copy of the entire report of The Task Force on Development Organizations, write to: Carnegie Corporation, 437 Madison Avenue, New York,*

*New York 10022. References to page numbers in this summary refer to the Task Force report. [Back.](#)*

**Note 1:** Participated as a member of the Task Force through July 1992 and endorses the general conclusions and recommendations of the report. [Back.](#)