

TRANSCRIPT OF DEVELOPMENT DRUMS [EPISODE 21 – GRANT PARK]

Host: Owen Barder. Guests: Ruth Levine, Paul O’Brian and Dana Hovig

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Owen Barder

Welcome to Episode 6 of Development Drums, a podcast about international development and global poverty. Today, we’re talking about the implications of the U.S. elections for U.S. foreign assistance and policies towards developing countries. I’m joined on the line from Washington, D.C. by Paul O’Brian from Oxfam America. Paul, good morning.

Paul O’Brian

Good morning.

Owen Barder

And from the suburbs of Washington, we have got Ruth Levine from the Center for Global Development, a Washington think tank.

Ruth Levine

Good morning.

Owen Barder

Well it has been a dramatic week in U.S. politics with the election of Barack Obama to be the 44th President. Here in Africa, Obama’s election has been greeted with something verging on hysteria, including the declaration of a public holiday in Kenya.

In this edition of Development Drums, we’ll be looking at what the election of Barack Obama means for developing countries.

Let’s look first of what the new administration is inheriting. The United States is the world’s largest donor of foreign aid, providing around \$26 billion a year, about a quarter of global aid, to about 120 countries. It provides programs in a range of sectors such as agriculture, health, education, infrastructure, AIDS, governance and humanitarian assistance during emergencies. The money from the U.S. taxpayer is used to support not only governments, but also non-governmental agencies, faith-based organizations, advocacy groups and private businesses.

Though the U.S. is the largest donor in dollar terms, as a share of national income, the U.S. gives just 0.22% of GDP in foreign aid, which puts it second to last among the industrialized countries. It is spread across 20 different government agencies; allocations to organizations, to sectors under countries are governed by congressional funding earmarks and driven by presidential initiatives. USAID, which is probably the best known of the government foreign assistance agencies, accounts for less than 40% of U.S. foreign aid. More than 20% is now managed by the Department of Defense, a budget line that has grown spectacularly as aid has been used in support of global security interests.

So how does this kind of structure impact on developing countries at the moment? Paul, do you want to kick us off?

Paul O’Brian

Sure. Well, I think the challenges come in three forms. I think we have a real challenge over here in answering the question, why are we doing foreign aid in the first place? And I think probably the most immediate challenge on that front is this securitization of aid that we’ve witnessed over the course of the Bush Administration where you’ve seen aid increasingly being used to achieve short-term U.S. oriented political and security goals, to some extent at the expense of long-term developmental goals.



The second challenge is – and your outline alluded to this – the need to modernize the entire structure of the U.S. foreign assistance, which was really designed for a different set of challenges, and needs a wholesale reform.

The third set of challenges is around the way that U.S. aid is implemented – U.S. foreign assistance is implemented on the ground. The sort of – what do they think good development looks like? And, once they've made the decision on what that is, how they implement it?

So I put it into sort of three buckets of challenges: purpose, mechanisms, and then implementation.

Owen Barder

Ruth?

Ruth Levine

I agree very much with the way Paul characterized what's gone on in the U.S. and what some of the core challenges are. At the same time, there are tendencies under the Bush Administration. So on the one hand, we see up close our association of aid with security and strategic interests, say, through the increase in aid in Afghanistan, but on the other hand, we see some programs that emerged during the Bush Administration, like the Millennium Challenge Corporation and the President's Emergency Plan for AIDS Relief, that are actually more separate from strategic interests than we saw in the aid program under the Clinton Administration, with PEPFAR being oriented towards countries that have relatively high AIDS burdens, the MCC spending money on countries that have relatively good governance.

So I think it's not as – it's not an easy story to characterize in a simple way. But maybe I could just add briefly [indiscernible] a huge challenge, which is the business side of things. So in the U.S., technical assistance providers, the consultants – whether they're for-profit or NGOs, operate sort of as a protected industry, because the U.S. still ties its aid and these are the groups that tend to be generating – tend to be advocating for aid in particular sectors, often are the sources of the most [indiscernible] education, housing, financial access problems are. So there are real problems with just the business of aid in the U.S.

Owen Barder

Let's focus specifically on this question of – I think Paul used the word securitization, which to me as an economist means something else completely. But this notion of using aid in pursuit of global security interests. Ruth, you're saying that in addition to that, the Bush Administration has done other important things like PEPFAR and the MCA and let's come back to those. I reckon there'd be lots of people out there who think that using aid in support of your security agenda to spend money on things like rebuilding Iraq and Afghanistan is a good thing to do with aid money. Why were you saying that that's a challenge rather than a success?

Paul O'Brien

Well, this is a real debate over here and it's going to be particularly challenging for the Obama Administration on how it frames this because the traditional saying is that a new Democratic president has to prove they're tough on security.

The U.S. feels, I think, that they are in a particular situation. They don't have the luxury of being a boutique donor who can focus exclusively on a purely altruistic developmental agenda. As the world's last superpower, they've got to think about global security issues in ways that others don't, global economic issues, they've got to think about the national interest. And then you compound that with groups in Congress who are very skeptical about whether aid actually achieves anything meaningful on the ground, and you have very strong incentives to justify expenditures on U.S. foreign assistance in terms of U.S. national security interests.

The debate is really between those – nobody says you've got to completely divorce the two issues, U.S. security on the one hand and global development needs on the other. The real debate is between folks who say, look, the only way we're ever going to do development well is if we take up an enlightened self-



interest approach, and we say that unless we can effectively focus on helping states become more stable, more peaceful, more prosperous for their own sake, we're never actually going to get that security dividend that we need over here.

There are others who are just skeptical that you'll ever actually achieve that longer term developmental agenda. And so they default to, well, if we can't get that, let's at least make sure we're winning over hearts and minds this year and ensuring force protection and gathering the kinds of intelligence that we need for our short-term security agenda.

So that's the real debate and what I think we're hoping to see from Obama is that he understands the tension between the shorter and longer-term agenda. And we've certainly seen in broader rhetoric a leaning towards really taking an enlightened self-interest perspective, but to be honest, we haven't seen the kind of concrete commitments that demonstrate he's made that choice.

Ruth Levine

I think that's right. I think that it's very much [indiscernible] particular current strategic goals through development assistance, you tend to focus on sectors and programs that are different than you would if you had that longer-term developmental agenda where your aim is to improve the lives and livelihoods of people who otherwise wouldn't have a particular set of opportunities so that their countries become over time more stable, more prosperous, better able to engage in the global economy and in constructive dialogue with other countries.

Owen Barder

So there – well, you are both saying is that the trade-off is as much between whether you do short-term assistance that is designed to help people in the particular circumstances they are in, but not necessarily to build capacity institutions and taking a longer-term view about the good bits you could use your resources for. So it's not so much a security versus non-security choice there, it's more to do with whether your interventions are long-term in character.

Ruth Levine

Yeah, exactly, and I think sometimes what is done under the objective of responding to strategic or security interest is really just using financial trends first to reward leaders who at that moment we are – we find it convenient to be friends with and that generally doesn't lead to the best kind – the most effective kind of development programs.

Owen Barder

Let's move on to your other point, Ruth, and about the credit you were giving to the administration, the outgoing administration for the work that it has done in setting up, for example, PEPFAR. Now there has been a huge increase in funding, a massive increase in aid in the Bush Administration compared to, say, the Clinton Administration. The criticism of PEPFAR is that it's a silo; that it comes as a vertically integrated program. And the famous example is Rwanda where there is a huge amount of funding that is only for HIV/AIDS in a country whose broader health problems need funding and that because PEPFAR doesn't integrate with the rest of the international aid system as well as it could, this actually leads to the money being used less effectively on the ground and that's perhaps an egregious example of something we see a lot in the health sector with all these different vertical funds, the Global Fund for AIDS, TB and Malaria, the GAVI for vaccinations and tens of other organizations. Do you think that setting up the PEPFAR has been basically a success?

Ruth Levine

Well, I have no idea if it's been a success or not because the metrics and measurement that you might associate with good evaluation [indiscernible], just haven't been part of PEPFAR. So in terms of getting money out the door and achieving particular performance targets like increasing the number of trained health workers or even the number of people who are alive today because of the anti-retroviral drugs provided by the U.S., yes, in those terms, I think, there are – there are really clear attributable successes that PEPFAR can claim.



I think it's also been seen as a disruption because it's introduced so much money earmarked for particular health problem, which may not as in the case of Rwanda be the – anything close to the major source of death and disability among people.

But, you know, you brought up Rwanda and I think it's a great example because the government of Rwanda has been extremely aggressive about corralling all of its donor friends whether PEPFAR, the Global Fund, bilateral, the other bilateral programs from Europeans, corralling those donors and their resources and saying look, we have one plan in this country and it is to respond to our AIDS problem, and it is also to respond to the many other health problems we have and develop new ways of financing and delivering healthcare services broadly. And so if you look at Rwanda, it's actually been very successful.

Owen Barder

So are you optimistic that the infrastructure that we have of all these different funding channels with a sufficiently strong and activist government can be made to work? Rwanda might be a special case.

Ruth Levine

Yeah, I think Rwanda is definitely a special case and very few governments have taken the lead in terms of telling the donors what the national priorities are. So I do think there is a need for the categorical or vertical programs to be much more flexible and how resources can be used and to be aware of how destructive they can be. But the fact is, due to the sort of political economy of the situation, we wouldn't have \$15 billion and now \$48 billion for global health if it weren't labeled as HIV/AIDS, that's where the advocacy has been, that's where the political constituency is. So it's not – how should we orient \$48 billion, it's given that we have raised \$48 billion for these sorts of programs, how can we spend it for broader benefit.

Owen Barder

Paul?

Paul O'Brien

Yeah, I agree strongly with what Ruth said. We were doing these field reports where we go out and we look at how U.S. foreign aid is being spent in different countries, our team just got back from Mozambique and published a report. 2002, Mozambique was getting somewhere in the range of about \$55 million aggregate from U.S. foreign assistance. With the advent of PEPFAR which really got going properly in 2005, it now, add that and MCC together, they're going to get something in the range of \$350 million next year. So a seven-fold increase, but the bulk of it is PEPFAR. We are very concerned that PEPFAR's sort of political advantage is that it's very measurable in ways that Congress likes and therefore we're sort of rewarding the dysfunctionality of the earmark system which at some level focuses heavily on inputs and outputs rather than the longer-term and harder-to-measure outcomes and impacts, numbers of people served, ARVs distributed and so on.

But when we actually got into the field in Mozambique and this resonates with what Ruth said, it does get a little bit more complicated because you've got recipient country governments who are savvy about what's coming at them and obviously in different respects, and in the Mozambique case we found the Mozambique Ministry of Health saying we are finding ways to use PEPFAR funding for stuff other than HIV/AIDS. They have been able to fund, we found a couple of government clinics that were providing broader services, healthcare workers were being given permission to say, okay if HIV/AIDS is the symptom, what's the health cause and use some PEPFAR funding in those respects. Now, I am not saying that there is no dysfunctionality, I am just saying that it gets a little bit more complicated for practitioners on the ground.

Owen Barder

Let's broaden this to the bigger question of the fact that U.S. aid has so many different government agencies responsible in the U.S., it's – I think there were 26 agencies giving money that counts as overseas development assistance. Is that a problem for people on the ground and is it a problem in the U.S. or is it perfectly sensible to have the different parts of government that are expert in their areas to be delivering foreign assistance to people who need it?



Ruth Levine

Well, I think it's a huge problem. It's a huge problem in the U.S. and I suspect it's even a much bigger problem on the ground where the U.S. through its own chaos and lack of coordination in at least some settings where it has big investments from multiple agencies then just adds to the confusion that's created by the fragmentation of aid across multiple programs.

Paul O'Brien

I couldn't agree more, a specific example of how this plays out; I spent the last few years before I came back here and partly the inspiration for this, working as an advisor to the Afghan Government, paid by the U.S. Government to help try and bring greater coordination and coherence to the aid that they were receiving. It was fairly challenging dealing with the various different donors and getting them to harmonize their aid around an Afghan-led strategy, but perhaps even more challenging was dealing with the various arms of the U.S. Government who – over 50% of the funds was coming from the U.S. in one way or another and I am talking the development funds. We were dealing with eight different departments of the U.S. Government. So you have the state department which had U.S. aid as a subsidiary of that, but we had eight different departments including the Departments of Defense and Labor, Education, I remember, we dealt with Treasury, and we had no overarching national development strategy of the U.S. So USAID would have its strategy and other departments would have their development strategies.

Over time, we did work with the leadership of a particular ambassador but he had no – there was no overall U.S. policy that you have to have one national strategy in every country. So this was really the actions of individuals on the ground who of course transitioned in and transitioned out on fairly regular occasions.

So for the most part, you had no overall strategy bringing those different departments together. So it became a major incentive of the Afghan Government to sit down with the various parts of the U.S. Government and try and bring greater coherence to this. And obviously you know with the U.S. Government having such a strong agenda in Afghanistan and being such a generous donor, the dynamic on who was leading who there was often very blurred.

But this was a consequence of the fact that back in D.C. we have a structure where there are entirely distinct stovepipes for making decisions around what priorities are in these different agencies, and so when they go out to the field those stovepipe problems manifest themselves.

Owen Barder

It does seem strange to me that the country that I think has rightly given a lot of emphasis to improving the effectiveness of aid and talking more about the output and impact than I think a lot of other donors have, persist with an organizational structure that almost everybody thinks results in much less effective aid than it was better joined up and more coordinated. This is driven – is it by internal politics within Washington D.C.?

Paul O'Brien

Let me jump in quickly because I think this is a particular challenge for the Obama Administration. Absolutely, it's a massive political challenge. There are political reasons why we have the system that we have and there are stakeholders who now have strong interests in preserving different parts of the status quo. If you are the Obama Administration, you have a certain amount of foreign policy capital on a certain number of priorities that you have got to get through Congress, and our challenge as a group of actors who would like to see foreign aid brought into the 21st century and all of this structure rationalized is not so much winning the argument on what's the right thing to do, but is it sufficiently important to spend the political capital required to bring some greater rationality to all these systems? Or, do we get enough out of the system that we have to deliver a suboptimal development agenda without spending all the political capital? And that's a huge challenge for us now.

Ruth Levine

I think Paul is a thousand percent right about that and when you think about what the incoming president has on his plate, and just to take healthcare reform as the sort of one of the preeminent examples of a complex challenge where he's going to have to deal with multiple interest groups and expend a lot of



political capital, I think it really is very much an open question whether rationalizing, making coherent foreign assistance agenda is going to be something that's high on the priority list to tackle. I certainly hope it is. But at the same time I think that realistically, it's maybe first couple of years more of an incremental approach and one that's more centered in discussions in Congress where frankly, a lot of what you might characterize as the bad behavior begins with the earmarking and the responsiveness to particular interest groups.

Owen Barder

I have to say sitting from here this issue feels to me a lot like the issue of gays in the military that Clinton tackled early on in his first term. And I kind of feel that the political will isn't going to be there in the Obama team or indeed in the U.S. political life to put this high up the agenda.

Paul O'Brien

I think there is one interesting distinction between the gays in the military question and the foreign aid question, which is that the former issue was a stark moral challenge, which could be easily characterized in terms of the decision-making dilemma. It's not necessarily the case that the foreign aid challenge is going to get simplified into a straightforward moral or political dilemma. And frankly, that's a big issue for us.

When we have sort of canvassed the Obama advisors, the folks on the campaign staff who cared about foreign aid, one of the interesting things, bits of information that we got back that gave us hope was that the way that Obama and his senior advisors like to tackle problems is to get back to core principles, to a big picture question, 'what are we trying to do here?' And work back from that towards an end goal. The point being they like strategy and they like to think strategically rather than tactically.

And unfortunately, if we don't get that kind of the bigger step back, it's too easy to try and deal with this problem. And for 40 years, we've been trying to deal with this problem in piecemeal ways. Our only hope is that we get a president who decides to take the bigger picture question on 'what is the U.S. trying to do in the world?' And 'how do we use the various tools at our disposal to achieve our broader foreign policy goals?' If he doesn't ask that question and doesn't see foreign aid as an essential tool to that, it's very unlikely that we are going to see enough political momentum for reform.

Owen Barder

Ruth?

Ruth Levine

I certainly agree with that. I think that there are a couple of additional points to raise that might give us some optimism about the potential for change sometime in the next four years, there is – that Vice-President-elect Joe Biden is heavily engaged in this question. He's very knowledgeable about it and so potentially can really move the agenda ahead.

The second is that a coalition or a network of leading organizations, advocacy organizations, implementing groups and others have been working now for a long time to develop sort of core principles for reform and now not a blueprint but a bit more detail around what those reforms could look like.

And so there has been a coalition called the Modernizing Foreign Assistance Network that's grown and that has really produced a lot of consensus among leading actors. So if and when, hopefully when there is a moment that as Paul describes when they really tackle this broad question of where does foreign assistance fit into a really comprehensive view of U.S. engagement in the world.

Owen Barder

So let's try and summarize exactly what those – what, for example, Modernizing Foreign Assistance Network has come up with, what are the broad outlines of the agenda for change?

Paul O'Brien

We were one of the four founding members of the Modernizing Foreign Assistance Network along with Ruth's organization, the Center for Global Development, staff from Brookings and the Center for American



Progress. The four key principles that really focus the work of what we call MFAN, which is a horrible acronym are, one, we're going to – well, let's talk about them in terms of priority actions actually, the specific proposals that we'd like to see implemented.

One, we need a national development strategy that brings together the work of the various agencies under a clear set of strategic goals and objectives. Two, we need to rationalize the structural authorities to implement that strategy. Three, we are going to need to bring our legislation, and particularly the Foreign Assistance Act, which was written in 1961 and designed to fight the challenges of the Cold War, into the 21st century with a new act that provides the legislative structure and authority to do 21st century development. And four, we need the kinds of resources and capacity so that we can operationalize the law, structure and strategy with effective development on the ground.

And that's – yes, we care very much about preserving and increasing the resources for development along the lines that now President-elect Obama has talked about. But we're also talking about helping to rebuild the capacity of our development professionals to do work on the ground. We simply don't have enough full-time development professionals in the U.S. foreign assistance structure to do effective developments.

Owen Barder

Part of my worry listening to that description is that it sounds like a very inside the Beltway set of reforms. This is all about hiring more people for USAID. It's about changing some legislation on the Hill. It doesn't sound like the kind of thing that is going to inspire or motivate people to take on the politics of this. I mean it's quite a technocratic agenda, isn't it?

Paul O'Brien

You are spot on, Owen, with that question. Interestingly, we were sitting around in an MFAN meeting yesterday, Modernizing Foreign Assistance Network, asking that very question, and recognizing that we need to build a broader constituency because our real challenge is not really convincing policymakers of the sounds of our arguments but convincing them that it's got enough political importance.

We need key constituencies to engage on this and a shameless plea to your audience, the one we talked about most yesterday is that there are development professionals out there who are seeing the consequences of our lack of strategy, structure, and law being coherent and modern on the ground. And we need them to feed back into their agencies into the political discussion back here by engaging with the Modernizing Foreign Assistance Network and with organizations like Oxfam. Both of us have websites. If you Google those you'll see pleas for – to take action and ways to do so because in the end of the day, the real calculus on whether this moves forward may be based on what level of noise is generated around the need to do that on the basis that until there is enough urgency, it's just not going to get on to the agenda.

Ruth Levine

I think that's exactly right. I think that there are these two tracks that the policy work has to go down. One is building this broad base of understanding that reform is vital for a lot of objectives, both self-interested ones and much broader and maybe somewhat more altruistic ones. But at the same time, what you characterized rightly, Owen, as the inside the Beltway, ideas and work really have to proceed because if you inspire sort of action, 'oh, we need reform' and you don't have a plan that's been well appropriated by the key actors in place to all could easily stall out or worse go in the wrong direction. So I think you need these two tracks, the kind of detailed policy work, which agency could do what, what would be the relationship, what's boring to 99.9% of Americans. You need that to continue while you sort of raise the volume and raise visibility of the broader issues.

Owen Barder

One of the choices that the new administration will face is whether and how to reverse the so-called Global Gag Rule, which prohibits U.S. funding from going to organizations that advocate a woman's right to choose abortion. We're joined today by Dana Hovig, the Chief Executive of Marie Stopes International, which is one of the largest international family planning organizations in the world. Last year, Marie Stopes International provided over 5 million people in 40 countries with high-quality health services including family planning, safe abortion and post-abortion care, maternal and child health care including safe



delivery and obstetrics, diagnosis and treatment of sexually transmitted infections. Dana, thank you for coming on to Development Drums.

Dana Hovig

Great, thank you, Owen.

Owen Barder

Before I ask you to explain what the Global Gag Rule means in practice, let's first hear from that incontrovertible authority on American politics, the TV series, *The West Wing*. Here is a scene in which the incomparable Stockard Channing as First Lady tackles Martin Sheen as President Bartlet over breakfast about the Gag Rule.

[Presentation Starts]

First Lady Abbey Bartlet

It's not that the money can't go to clinics that perform abortions. It's that it can't go to clinics that talk about abortion.

President Josiah Bartlet

I know what the Gag Rule is.

First Lady Abbey Bartlet

I wasn't reminding you what the Gag Rule was. I was reminding you that you sent 11,000 U.S. troops to Kuhndu because in your inauguration you told us that we were for freedom of speech everywhere.

President Josiah Bartlet

That's great except people are starving to death, and they're dying of disease to death, and they can't cook the Bill of Rights.

First Lady Abbey Bartlet

So we're for freedom of speech everywhere, but poor countries where they can have our help but only if they live up to Clancy Banger's moral standards? What the hell kind of free world are you running?

President Josiah Bartlet

I really don't know, Abbey. The day hasn't started yet.

[Presentation Ends]

Owen Barder

Dana, tell us what the Global Gag Rule says.

Dana Hovig

The Global Gag Rule started with Ronald Reagan in 1984. Bill Clinton rescinded it in 1993. But then it was reinstated in 2001 by President Bush. And effectively, it means that non-U.S. NGOs cannot counsel for abortion, refer for abortion or advocate for abortion and still get money from the U.S. government for family planning and contraceptive supplies.

Owen Barder

So how does that rule affect your work?

Dana Hovig

Well, I think it's telling and, well, arguably, ironic that this doesn't apply to U.S. organizations. The Global Gag Rule only applies to foreign organizations such as Marie Stopes International, because it's been found to be unconstitutional. The Global Gag Rule is unconstitutional. And the constitution only protects U.S. citizens and U.S. organizations because the Global Gag Rule restricts the right to free speech.



Owen Barder

USAID has recently taken steps to prevent contraceptive supplies that they finance from being channeled through Marie Stopes. What reason have they given for that?

Dana Hovig

USAID and in fact, the Department of State found that just like UNFPA, Marie Stopes International works in China. And we support the Chinese government to try to help the Chinese government become much more focused on women's reproductive rights and focused on choice. So actually we are good guys in China trying to help the Chinese family planning movement to evolve.

Instead of labeling us as good guys though the USAID has labeled us like UNFPA as tarnished by our work in China. And therefore what they've done is they've stopped or tried to stop all contraceptives being supplied to Marie Stopes International in 6 countries in Africa. And this is in fact infecting Marie Stopes International's ability to work around the world because governments now – host governments, African governments are wary of giving any sort of contraceptive to Marie Stopes International.

Owen Barder

So this action has been taken under the so called Kemp-Kasten amendment, which says that money can't be used for any organization that supports a program of coercive abortion. Are you supporting coercive abortion in China?

Dana Hovig

Not at all, in fact, it's just the opposite. We are trying to empower women and empower their reproductive rights in China and in elsewhere. And it's ironic that the Bush administration punishes UNFPA and punishes MSI for doing the right thing in China and they punish us so that we can't do the right thing in Africa. UNFPA just estimated that \$34 million that the U.S. Government wouldn't give them this year because of Kemp-Kasten, will result in 2 million unwanted pregnancies and 800,000 abortions happening. That's what they could do with that U.S. Government money. Similarly, if the U.S. Government was able or wanted to give MSI an IUD, that would prevent two abortions from happening in Africa.

So they're punishing African women, they're increasing abortion in Africa, and they're increasing the number of women who will die from unsafe abortion because of this crazy policy, Kemp-Kasten and our association of trying to do the right thing in China.

Owen Barder

Do you have any sense of why USAID has taken this step now in the dying days of the Bush administration?

Dana Hovig

We wondered that ourselves. This has been cooking for several months. And we think it's just a last bone to the right wing before the sun sets on this administration. This administration, which through the Gag Rule, which through its abstinence-only funding and through Kemp-Kasten, we think has caused the deaths of many women unnecessarily.

Owen Barder

Dana Hovig from Marie Stopes International, thanks very much for joining us on Development Drums.

Dana Hovig

Thank you, Owen.

Owen Barder

Ruth, Clinton abolished the Gag Rule on his first day in office and George Bush reimposed it on his first day in office. Do you think President-Elect Obama will abolish the Gag Rule on his first day?

Ruth Levine



I did a little bit of checking around among informed sources about whether it's likely that President Obama will issue an Executive Order, and I don't know, re-reverse the Mexico City policy or the Gag Rule on day one. And among the people I talked to, there were maybe one or two who thought it was possible. Though I guess, going with that mini-poll, non-scientific, I'd say it's probably not too likely.

Owen Barder

Why did Clinton do it on his first day in office? Was there a lobby for it?

Ruth Levine

There was indeed.

Owen Barder

And there isn't now?

Ruth Levine

I don't think there is as strong a lobby. I sensed partly because the whole sort of culture wars, values discussion really fell by the wayside during the latter part of this presidential campaign, particularly as the concerns about the economy picked up. He would essentially part company with the Bush administration around what's fundamentally seen in the U.S. as a values question. I don't think that's going to be where he's going to put his symbolic marbles.

Paul O'Brien

Yes, with the limited we're hearing in the rumor mill that resonates.

Owen Barder

So what do we think will be the thought of the Obama entrée on the development thought field? We've talked a bit about the need for some kind of reform of foreign assistance. And I think everyone's saying this might not be the first thing that he gets to and there might be some build up of momentum towards it in Congress.

He has said that he will increase foreign assistance in money terms, although Joe Biden seemed to mark that out as a possible victim if the administration needs to look for savings as a result of the financial crisis. What do you think he might do that would throw some comfort to people who are concerned about this in the early days of the new administration?

Paul O'Brien

We're actually cautiously optimistic. Certainly in terms of his broader rhetoric, he fully understands that if the U.S. is going to exercise what many in Washington call smart power in the world that balances hard and soft power tools effectively, you're going to need to be able to do smart development. And that that area of our foreign policy armory for want of a better term has been under-resourced and under attended to in recent times.

So the rhetoric is all there in the broad policy strokes. The question is when he said, because of the financial crisis, we may have to delay some of our commitments – and he actually was the first to say it. He got halfway cut off in the television interview, and Biden the next night sort of finished the sentence. But we all knew where it was going. Because before the presenter cut him off on the program over here called This Week, Obama said, I may have to cut something, for example, foreign aid – and then he got cut. And the next day unfortunately, we heard the rest of the bad news. So we know that it's on their minds. But the way that we have understood that, is that the Obama administration fully understands that the economic crisis is going to be a short-to-medium term budgetary crisis in the sense that money invested now is going to need – will ultimately get paid back later, but it's not going to get invested.

I mean people need to remember that out of – for example the Mexico bailout, the U.S. Government actually made a profit in the end of the day. And so there is a mindset over here that this may not be a sort of a permanent loss of public funds. And so we – at some level being optimistic take the delay



commitments on its face. And that he's still fully committed to doubling U.S. foreign assistance over the course of his first term, and to achieving the millennium development goals.

Our bigger question is around this – how important does he see this kind of soft power tool, development, in his overall foreign policy agenda and if he can get his head around that and articulate some strong first principles around that even more than he has done, we are optimistic that this may be the best stance for reform that we've seen since the Kennedy administration.

Owen Barder

Ruth, that doesn't sound to me, if – we are not going to get much in the form of administrative reform, not much increase in money, yet, although that may come. The best we can hope for is some rhetoric that development is a central part of foreign policy strategy. That doesn't sound like anything is going to change much on the ground but as seen from people working in developing countries?

Ruth Levine

I think it's going to be a while before, you know, the sort of whatever changes are motivated and implemented in Washington filter [indiscernible] signals from the administration about what direction they want to go in, and what priority they place on these issues. One is, I think as Paul was saying, I think rhetorically there will be a lot more expression of commitment to the Millennium Development Goals and to multi-lateral processes whether it's the UN or various kinds of global coordination efforts. You know the U.S. in the past eight years has been a real go-it-alone, my-way-or-the-highway, kind of taken that posture. And I think Obama is certainly committed to changing that, and has a real opening to do so.

And the other way, just briefly, that he can show where he is headed, and where we are all headed, is by the nature of the appointments to key positions. So if, for example, that various development agencies are, for example, provided with one head, bringing say, MCC, PEPFAR and USAID together. Now they are fragmented, but bring them together under one set of leadership and appointing to that [indiscernible] in the field of development; that would be a dramatic departure --

Owen Barder

The rumor is that Susan Rice is a frontrunner and the other name I've heard bandied around of Gayle Smith, right? Is that what you are hearing? And would those be the kind of appointments?

Paul O'Brien

I think the two people that you have mentioned as possible candidates would be great because they bring together development expertise and an understanding of what it takes to translate that into policy in Washington. So, yes, those kinds of candidates would be super and we know that both of them have articulated an interest in development agenda and modernizing it over the last few months.

We want a candidate who has three characteristics: One, they have direct access to the President based on a personal relationship, meaning a prior relationship. Two, we'd like somebody who actually understands development because they being there been there or they've committed to it in some way; and three, we want somebody who understands how Washington works. There has been a tendency in trying to elevate foreign aid assistance in the past. Kennedy did it, Bush did it, to bring in a tycoon and bring in that sort of corporate result-oriented experience and their lack of knowledge of Washington and their lack of knowledge of development has undermined those efforts in the past.

If you really put me on the spot though, I'm about to contradict myself and say name one person that might give this the kind of attention that you'd like and I'm speaking personally here not for Oxfam, I'd say Bill Gates would be a good candidate.

Now, it slightly contradicts the tycoon point but the point is, is here is somebody who is going to get access; he spent billions of dollars in the last 10 years trying to get his head around development including spending millions of dollars trying to fix USAID or at least modernize its technology, and he has demonstrated in some ways an understanding of how Washington works although that might be his weak point.



Owen Barder

I'm impressed by the ambition that you are laying out there. That really wouldn't be in Washington's head. Do you think Bill Gates would take that job?

Paul O'Brien

Well, he has declared that fighting poverty one person at this time is now his life's goal, and I think he probably wouldn't take it because he has a final time doing that right now as the head of an incredibly well resourced organization, but the bigger point is if we don't get that level of attention and political profile it's going to be challenging. I have to say I am sounding all doom and gloom but I am actually, I work on this full time, I am actually fairly optimistic that we will get somebody who wants to give it some attention, and that President Obama will move from rhetoric to action. There are no signs to the contrary, it's just that the environment is difficult and we need the attention of folks like your listeners to build up the drum-beat.

Ruth Levine

I agree. I think that there are a number of very, very qualified people who have the kind of perspective in development and experience that we need to see. The last eight years much of the leadership of the development agencies, priority was given to people who had sort of executive ability, experience in the private sector and I think it would be very healthy to have people in leadership positions who really have spent a lot of time working in the development field, not captured by it because I think there are a lot of lessons to learn about what hasn't worked and it's important to have a fresh perspective, but you know a real knowledge about the challenges on the ground is very important for the leadership.

Owen Barder

Paul, Ruth, is there anything else that you want to say about the prospects for an Obama administration, perhaps more broadly than just foreign assistance like in the field of climate change or trade policy? The Democrats have traditionally are not been internationalists in some of these areas. Do you think kind of Obama administration will be good news in other areas of policies that affects developing countries?

Ruth Levine

Well, I think the Obama administration will be very good news in one area which is on the global climate change, an ongoing commitment to working with other countries to doing our fair share, so I think in that really critical and too long-neglected area we will – this country will really emerge a changed nation.

In terms of trade, I think a much different prospect at least in the short term given the economic challenges at home. It's going to be hard to take on aggressive trade policy that really looks first or looks in important ways at the interest of poor countries.

Owen Barder

Paul?

Paul O'Brien

With everything that went on the campaigns, it's unlikely we are going to see President Obama embracing new trade agreements as a tool to strengthen U.S trade policy. That having been said, we are hearing very interesting rumors about getting a thoughtful USTR trade representative. And I think what we will see from Obama is a greater understanding of the need for coherence between the trade and the development agenda. It makes no sense for U.S. foreign policy that we charge more in trade tariffs to countries that receive Millennium Challenge Corporation funding, which is designed for economic growth, than we give them in MCC funding. So at one hand we are trying to stimulate economic growth with MCC, at the other hand we are charging them more in tariffs to the very same countries. That kind of incoherence is something I think the Obama administration is likely to tackle because it again it plays to his strong suit, what are we trying to do broadly and strategically with our soft power tools and how do we get some greater coherence across our barriers to it.

Owen Barder



That brings us to the end of episode six of Development Drums. Thank you to Ruth Levine and Paul O'Brien in Washington, and to Dana Hovig from Marie Stopes International in London. And for me, Owen Barder, in Addis Ababa, thanks for listening and I hope you will join us again next time.
