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Distinguished Lecture Series

JOAN B. KROC DISTINGUISHED LECTURE SERIES - OFFENHEISER

Raymond Offenheiser

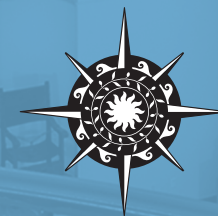
Aid That Works: A 21st Century Vision

for U.S. Foreign Assistance

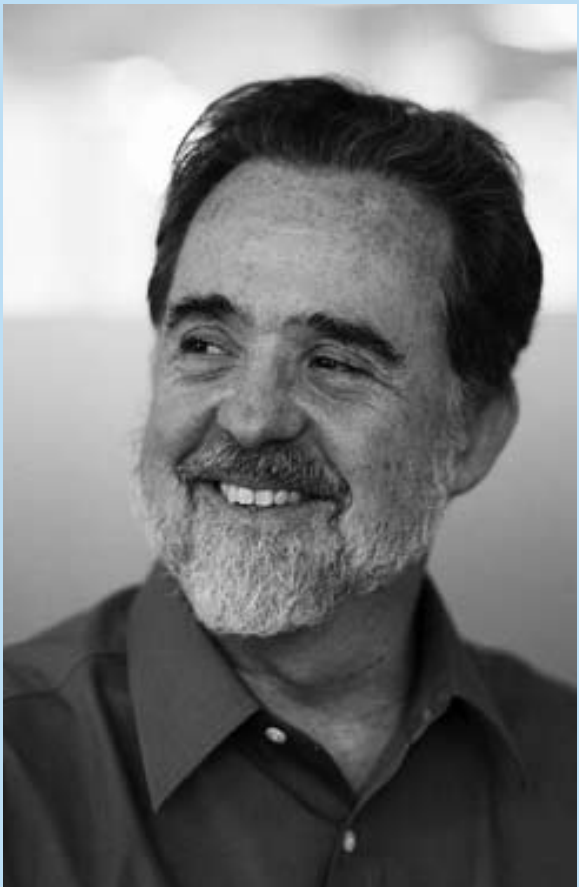


JOAN B. KROC
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PEACE & JUSTICE
UNIVERSITY OF SAN DIEGO

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Joan B. Kroc Institute for Peace & Justice
Distinguished Lecture Series

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JOAN B. KROC INSTITUTE FOR PEACE & JUSTICE

Joan B. Kroc School of Peace Studies
University of San Diego
San Diego, California

Raymond Offenheiser
*Aid That Works: A 21st Century Vision
for U.S. Foreign Assistance*

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Fostering Peace, Cultivating Justice,

Creating a Safer World



Photo: Architectural Photography, Inc.

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JOAN B. KROC INSTITUTE FOR PEACE & JUSTICE



The mission of the Joan B. Kroc Institute for Peace & Justice (IPJ) is to foster peace, cultivate justice and create a safer world. Through education, research and peacemaking activities, the IPJ offers programs that advance scholarship and practice in conflict resolution and human rights.

The IPJ, a unit of the University of San Diego's Joan B. Kroc School of Peace Studies, draws on Catholic social teaching that sees peace as inseparable from justice and acts to prevent and resolve conflicts that

threaten local, national and international peace. The IPJ was established in 2000 through a generous gift from the late Joan B. Kroc to the University of San Diego to create an institute for the study and practice of peace and justice. Programming began in early 2001 and the building was dedicated in December 2001 with a conference, "Peacemaking with Justice: Policy for the 21st Century."

The Institute strives, in Joan B. Kroc's words, to "not only talk about peace, but to make peace." In its peacebuilding initiatives, the IPJ works with local partners to help strengthen their efforts to consolidate peace with justice in the communities in which they live. In Nepal, for example, the IPJ continues to work with Nepali groups to support inclusiveness and dialogue in the transition from armed conflict and monarchy to peace and multiparty democracy. In West Africa, the IPJ works with local human rights groups to strengthen their ability to pressure government for much needed reform and accountability.

The Women PeaceMakers Program documents the stories and best practices of international women leaders who are involved in human rights and peacemaking efforts in their home countries.

WorldLink, a year-round educational program for high school students from San Diego and Baja California, connects youth to global affairs.

Community outreach includes speakers, films, art and opportunities for discussion between community members, academics and practitioners on issues of peace and social justice, as well as dialogue with national and international leaders in government, nongovernmental organizations and the military.

In addition to the Joan B. Kroc Institute for Peace & Justice, the Joan B. Kroc School of Peace Studies includes the Trans-Border Institute, which promotes border-related scholarship and an active role for the university in the cross-border community, and a master's program in Peace and Justice Studies to train future leaders in the field.

JOAN B. KROC DISTINGUISHED LECTURE SERIES

Endowed in 2003 by a generous gift to the Joan B. Kroc Institute for Peace & Justice from the late Joan Kroc, the Distinguished Lecture Series is a forum for high-level national and international leaders and policymakers to share their knowledge and perspectives on issues related to peace and justice. The goal of the series is to deepen understanding of how to prevent and resolve conflict and promote peace with justice.

The Distinguished Lecture Series offers the community at large an opportunity to engage with leaders who are working to forge new dialogues with parties in conflict and who seek to answer the question of how to create an enduring peace for tomorrow. The series, which is held at the Joan B. Kroc Institute for Peace & Justice at the University of San Diego's Joan B. Kroc School of Peace Studies, examines new developments in the search for effective tools to prevent and resolve conflict while protecting human rights and ensuring social justice.

DISTINGUISHED LECTURERS

- April 15, 2003 Robert Edgar
General Secretary, National Council of Churches
The Role of the Church in U.S. Foreign Policy
- May 8, 2003 Helen Caldicott
President, Nuclear Policy Research Institute
The New Nuclear Danger
- October 15, 2003 Richard J. Goldstone
Justice of the Constitutional Court of South Africa
The Role of International Law in Preventing Deadly Conflict
- January 14, 2004 Ambassador Donald K. Steinberg
U.S. Department of State
Conflict, Gender and Human Rights: Lessons Learned from the Field
- April 14, 2004 General Anthony C. Zinni
United States Marine Corps (retired)
From the Battlefield to the Negotiating Table: Preventing Deadly Conflict
- November 4, 2004 Hanan Ashrawi
Secretary General – Palestinian Initiative for the Promotion of Global Dialogue and Democracy
Concept, Context and Process in Peacemaking: The Palestinian-Israeli Experience
- November 17, 2004 Noeleen Heyzer
Executive Director – U.N. Development Fund for Women
Women, War and Peace: Mobilizing for Security and Justice in the 21st Century
- February 10, 2005 The Honorable Lloyd Axworthy
President, University of Winnipeg
The Responsibility to Protect: Prescription for a Global Public Domain
- March 31, 2005 Mary Robinson
Former President of Ireland and U.N. High Commissioner for Human Rights
Human Rights and Ethical Globalization

October 27, 2005 His Excellency Ketumile Masire
Former President of the Republic of Botswana
Perspectives into the Conflict in the Democratic Republic of the Congo and Contemporary Peacebuilding Efforts

January 27, 2006 Ambassador Christopher R. Hill
U.S. Department of State
U.S. Policy in East Asia and the Pacific

March 9, 2006 William F. Schulz
Executive Director – Amnesty International USA
Tainted Legacy: 9/11 and the Ruin of Human Rights

September 7, 2006 Shirin Ebadi
2003 Nobel Peace Laureate
Iran Awakening: Human Rights, Women and Islam

October 18, 2006 Miria Matembe, Alma Viviana Pérez, Irene Santiago
Women, War and Peace: The Politics of Peacebuilding

April 12, 2007 The Honorable Gareth Evans
President – International Crisis Group
Preventing Mass Atrocities: Making “Never Again” a Reality

September 20, 2007 Kenneth Roth
Executive Director – Human Rights Watch
The Dynamics of Human Rights and the Environment

March 4, 2008 Jan Egeland
Former Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator for the U.N.
War, Peace and Climate Change: A Billion Lives in the Balance

April 17, 2008 Jane Goodall
Founder – Jane Goodall Institute and U.N. Messenger of Peace
Reason for Hope

September 24, 2008 The Honorable Louise Arbour
Former U.N. High Commissioner for Human Rights
Integrating Security, Development and Human Rights



March 25, 2009 Ambassador Jan Eliasson
Former U.N. Special Envoy of the Secretary-General for Darfur and Under-Secretary-General for Humanitarian Affairs
Armed Conflict: The Cost to Civilians

October 8, 2009 Paul Farmer
Co-founder of Partners In Health and United Nations Deputy Special Envoy to Haiti
Development: Creating Sustainable Justice

November 18, 2009 William Ury
Co-founder and Senior Fellow of the Harvard Negotiation Project
From the Boardroom to the Border: Negotiating for Sustainable Agreements

February 25, 2010 Raymond Offenheiser
President – Oxfam America
Aid That Works: A 21st Century Vision for U.S. Foreign Assistance



BIOGRAPHY OF RAYMOND OFFENHEISER

Raymond Offenheiser has been president of Oxfam America for 13 years. During his tenure, he has overseen the growth of Oxfam America from a small nonprofit agency into a recognized world leader in the global social justice movement. Under his direction, Oxfam America has increased its annual budget fivefold to \$75 million, substantially increased its donor base and created a diverse and highly professional staff.

Offenheiser recently joined a high-level group of think tank members to promote the modernization of foreign assistance. The intent is to replace the Kennedy and Cold War era vision for American aid with a new strategy, mandate, legislation and structure to guide America's international aid efforts into the 21st century.

He has also positioned Oxfam America as a leading actor in the field of corporate social responsibility by initiating the Private Sector division within the organization. Under his leadership, Oxfam America has initiated a variety of innovative partnerships with Fortune 500 corporations.

Before joining Oxfam America, Offenheiser served for five years as the Ford Foundation representative in Bangladesh and, prior to that, in the Andean and Southern Cone regions of South America. He has also directed programs for the Inter-American Foundation in both Brazil and Colombia and worked for Save the Children Federation in Mexico.

With over 30 years of work in the field of international agricultural development, Offenheiser is active as member and advisor to numerous organizations on issues of food security, climate change, trade reform and sustainable development, including the World Agricultural Forum, Biovision, World Fish Center and the Green Group of leading environmental CEOs. He is currently the honorary president of Wetlands International, the leading nonprofit global network focused on the protection of wetlands throughout the world.



Photo courtesy of Oxfam America

Offenheiser is a frequent commentator in the media on such issues as foreign aid, international debt, human rights, humanitarian crises and global trade policies. He has appeared in programs on all major U.S. news networks as well as BBC and CNN International and has been a quoted source in the *New York Times*, *Washington Post*, *Boston Globe* and numerous other major American newspapers.

Offenheiser is currently a member of the board of Oxfam International and of BRAC USA and for 10 years served on the board and executive committee of InterAction. He has served and is serving on numerous advisory councils for such groups as the Clinton Global Initiative, World Economic Forum, Aspen Institute, Asia Society, Global Philanthropy Forum, Council for Economic Development, Kennedy School of Government, Harvard Business School, Stanford University's Center for Global Business and Kellogg Institute for International Studies at Notre Dame. He is also a member of the Council on Foreign Relations.

Educated at Notre Dame and Cornell, Offenheiser lives in Carlisle, Mass., with his wife Suzanne, son Patrick and daughter Deirdre. He is a passionate Latin Americanist and speaks Spanish and Portuguese fluently.

INTERVIEW

The following is an edited transcript of an interview with Raymond Offenbeiser, conducted on Feb. 25, 2010, by Elena McCollim, program officer at the Joan B. Kroc Institute for Peace & Justice, and Topher McDougal, instructor in the Joan B. Kroc School of Peace Studies at the University of San Diego.

TM: The Obama administration has advanced a vision of foreign policy – already adopted elsewhere – founded upon the three equal “stool legs” of development, diplomacy and defense. If the three of these legs are to be crafted into a coherent foreign policy, how much autonomy does the U.S. development wing have to give up? How will this challenge or inform your work reforming the development program?

RO: The entire discussion going on in Washington right now about the “3-Ds” is about how to rebalance them, how to establish some degree of relative strength to each of these Ds so that as the United States engages the world and uses these different tools – through its defense and security wing, through its diplomatic wing and through its development wing – they’re each represented well, they each have a strategic focus and they’re each adequately resourced and adequately structured.

I think where people are differing now in these discussions is on what exactly the emphasis should be and how this should all be orchestrated. At the end of the day, what is the adequate level of resourcing? What should the strategic focus be?

In some sense what took place under the Bush administration has prompted some of this. A lot of our civilian capacity, both in the diplomatic and development fields, had been subordinated to some degree to the military initiatives that we were engaged in both in Iraq and Afghanistan. And in some ways, our framework for engaging the rest of the world has been driven by more of a military, defense-led approach.

In the lead-up to the elections there had been a whole discussion about

smart power and soft power and the use of other kinds of tools, everything from development expenditures to an increased emphasis on diplomacy. The reality, however, is that these capacities have been seriously compromised over the past several decades in terms of personnel and budgets. And given the enormity of the challenges that we’re facing currently, they’re not up to the task. So what we’re seeing on the ground is the Department of Defense taking on more and more of a role in the development sphere and the State Department running to keep up with the Department of Defense in terms of its role in the diplomatic sphere.

The Obama administration hopes to correct this, and a number of things have already happened. The State Department put through an authorization budget for last year, which increased the number of positions in the State Department significantly – I think 1,000 new positions over a two- to three-year period. There are similar kinds of requests for positions within USAID [United States Agency for International Development], to almost double USAID in size over the next several years, phasing it in gradually. There’s a real recognition of this personnel deficit, but there’s also recognition that it’s going to take a while to get these new cadres of personnel up and running.

In terms of the question of autonomy, the worry is that the State and Defense spheres will remain independent and perhaps continue to have their differences over boundary issues – between what is the prerogative of the State and what is the prerogative of Defense. I think what we’re concerned about is that the development sphere may be subordinated to both of them – and that it will not be elevated to a level where it will be the third D, but rather we will have two big Ds and one little D.

The process that took place under the Bush administration of subordinating the aid function to the State Department, called the “F Process,” basically transferred the role of the aid administrator into the State Department and transitioned their budget control and their policy planning capacity into the State Department, and, in effect, eradicated what had been a historic boundary. So in some ways that autonomy has already been compromised, and one of the sensitive debates in Washington is about whether that was a

good idea, whether it should be sustained in that fashion or whether there should be a return to something along the lines of the model that existed earlier, where you had a direct report of the aid director to the secretary of state.

You also had independent budget authority and an independent policy planning unit within USAID. Right now USAID basically cannot do its own policy planning – it doesn't have strategic planning capability. It's now housed in the State Department and doesn't have any independent budget authority, and many of the former aid directors have gone on record, both Republican and Democrat, and indicated this is a real problem that needs to be fixed. It really compromises the autonomy and the integrity of the whole development field as a tool of U.S. engagement in the world.

TM: Whether you are for it or against it, there is a growing phenomenon of civil-military cooperation that is becoming a fact of life for those working in the development field. In an ideal world where power dynamics between the three Ds – the three legs of the stool – are righted or brought into balance, how would you see the role of civil-military participation?

RO: For those of us who've been looking at this over the last two-and-a-half years or so, the gold standard for how this can work in an ideal world would be the way it works in Great Britain, where you've basically got a Ministry of Defense, a Foreign Ministry and a Ministry of Development. They have developed what they refer to as a whole-of-government approach, in which these three ministers meet as colleagues and discuss various strategic priorities and challenges around the world, and they'll determine what the mix of these different approaches and tools should be in the way they engage their work and particular competencies. That's one thing I think is missing in our system presently: a whole government approach that elevates development so it can actually be on equal footing in a conversation like that.

An analogy that one of my colleagues uses to describe this is the Humvee worldview: You're going to a village in Afghanistan and you've got a military guy driving the Humvee, someone from the diplomatic mission riding shotgun

and someone from USAID in the back seat. They get to the village and the military guy has a responsibility for the PRT [Provincial Reconstruction Team], historically relating to the village; the diplomatic representative has a perspective on how this is contributing to the stabilization of the country and how this might enable them to achieve their long-term political goals; and the guy in the back meeting with the village headman gets the sense they need a restored irrigation system in order to improve their agriculture.

When they get back in the Humvee and head back to Kabul, there's a chain of command for the military guy to report up right away in the embassy or the compound, and the diplomatic guy goes to the ambassador. But the USAID guy is reporting to the ambassador as well, underneath the diplomatic representative. In other words, even though the aid priority may be of equal importance to the others and there might be a discussion about what should be emphasized in that village, the aid representatives are at a disadvantage in that conversation.

TM: Getting on to Oxfam's role in this changing landscape, Oxfam sees greater autonomy of country offices as necessary to decouple USAID field office initiatives from Washington interests. This supposedly brings development closer to the beneficiaries. How do you see U.S. aid efforts effectively bridging the gap between accountability to U.S. taxpayers and responsiveness to real local needs?

RO: There's probably a continuum here where, to some degree, there are going to be what the Defense Department calls kinetic contexts: Where there's active conflict in the mix of the integrity of the state, levels of corruption and capacity to absorb the aid, the ability of in-country institutions to actually implement aid is going to be compromised in some ways. The way that the development approach would have to be framed in that context would probably have to be a little more conservative than some other places where you have more developed institutions and you don't necessarily have a conflict situation. If you were to compare Afghanistan at one end and Ghana at the other end, you can approach these things quite differently.

What we've tried to do is use this ownership concept to unpack the way this works, or could work, with the focus being on three dimensions: one is information, the second is capacity and the third is control. In the information area, one of the things we've discovered is that U.S. aid, as compared to other countries' foreign assistance, is heavily discounted by recipient countries because it's short-term – a one-year commitment. So if you're looking at U.S. government money relative to Great Britain's Department for International Development – money that might be a multi-year block grant – countries are thinking it's less useful to them than money from Great Britain.

We're arguing that for development aid to be effective, governments need the ability to plan more effectively beyond a one-year frame. And the planning commitments need to be made within a much more structured and strategic planning framework that embraces a variety of different sectors. The Millennium Challenge Corporation¹ is, to our minds, an innovation within the U.S. field of foreign assistance that has perhaps been underappreciated as a basis for reform. It tries to engage governments in a collaborative planning process, recognize and allow governments to set their own priorities, push back on those where it makes sense and perhaps the U.S. may have some interests of its own, and ultimately produce a joint agreement for what would be funded on a multi-year basis against specific outcome indicators. In some sense multi-year funding is a clear transparent deal and a variety of sectors can be supported simultaneously because there's real ownership on the national level of what the plan is about and what the funding will actually yield.

Then of course there are performance benchmarks along the way that the government has to meet in order for further tranches and disbursements to be released. In many ways, this is where the international community has been going. Unfortunately in the context of Washington, which likes to see rapid-fire disbursements of funding, the Millennium Challenge Corporation has been challenged itself because it has tried to be careful about the management of taxpayers' money and the way it's been crafting this whole new approach to how it deals with the countries.

1 An independent U.S. foreign aid agency created by Congress in 2004 to combat global poverty.

In some ways the full value of this approach as the basis for strategic partnerships going forward hasn't been fully assimilated by Congress and the broader development community in Washington. But from our point of view, it marks a way of moving away from some of the traditional approaches that we've seen in aid that might have been more sectorally-driven or driven by embedding staff in particular ministries.

EM: It is very interesting to hear your description of the Millennium Challenge Corporation (MCC) because it is indeed an innovation that seems to have introduced rationality in exactly the way that aid reformers proposed. How widespread was the sense, at least at the MCC's inception, among the NGO [nongovernmental organization] community that it was more of a political tool? Was that relevant then and, if so, is it still relevant now?

RO: I think when it was first created the broad development community, NGOs and contractors alike, were suspicious of it. If you are a subcontractor of USAID, it represented a potential threat because you are actually dealing directly with governments, and you are going to be delivering large tranches of money to governments and not necessarily relying on a contractor or NGO community. It was also seen as a bit of a maverick institution in the sense that it worked around the USAID structure and at least initially didn't even incorporate the USAID director into its governance structure. So it was seen as a signal that there was some degree of dissatisfaction with the way that aid was functioning at the time because, in effect, it was a whole new institutional approach.

I think that over time some of us in the development community have come to appreciate that it does represent a real break from the past. A number of us were involved in reform efforts with the previous administration around foreign aid, and many of the things that we argued for are embodied in the way the MCC operates: large grants, a foundation approach, a more trusting basis of partnership, dealing with governments on more collaborative terms, giving them the space to frame how they see their context and their challenges

and opportunities. All of that has been part of the discussion about reform for some time.

Having said that, it was also seen as a Republican innovation, so when Congress flipped two years before the Obama election, there was quite a bit of effort made to do it in. Those of us in Oxfam particularly thought it was a mistake, and we came out and lobbied for retaining the MCC. We thought it was a development innovation and that we should take a closer look at what it represented in terms of approach and figure out a way that it could be incorporated in the overall reform effort that we were embarking on.

EM: As I recall, the criteria are governance, human development and economic freedom. I also recall a fair amount of ideologically-tinged suspicion of the economic freedom criterion and the effect on economic policy in a way that might be deleterious to the majority. Was there equal weight given to the governance and human development criteria?

RO: Certainly we staunchly subscribe to the democratic governance criterion, and it was interesting to see a process that actually tried to come up with some metrics on that. I think the concern that we had about the economic freedom criterion was to what extent it was simply leveraging an unqualified adoption of a free-market economic model. We've tried to look at these on a case-by-case basis, whether that was part of the deal or not, in some sense doing a trade agreement through the back door. In that sense, we haven't found the basis for being exceptionally critical.

EM: Oxfam is a famous proponent of local ownership of development projects and seeks to strengthen civil society organizations in developing countries as a way to strengthen the capacity of people to hold their governments accountable on various levels. In countries with weak states and impoverished populations, civil society organizations – both local and national NGOs – are heavily reliant on outside funds for their survival. How would you describe the health of civil society organizations across the global south in terms of the material support they receive from across their society, from the philanthropic sector and from

the government? In countries lacking a well-developed philanthropic sector, what can be done to make them less dependent on outside funding and more rooted in their own society?

RO: If we go back through 30 years and look at what the state of civil society was and the kinds of roles that civil society was playing, I think we would find in many cases it was not as politically engaged, not as dense, not as linked into global social movements and global sectoral issue fora that exist today. I think the '90s was a very interesting decade because many of the U.N. summits that took place were open for the first time to civil society representatives from many countries and allowed for a lot of global networking. There was the environmental summit, the rights summit, the Cairo population summit, the women's summit, the education summit, the global poverty summit.

That created a whole explosion not only in the engagement of civil society in these multilateral fora, but also in the consciousness within the civil society movements of what was being experimented in other places, what were some of the normative frameworks for how civil society was being engaged or not engaged in their particular countries, and the recognition that the multilateral system could be used to create platforms for advocacy at the national level. Also, the emergence of the Internet created possibilities for linking people up in unique and different ways that were really historically unprecedented.

I think we have a denser, more sophisticated, better linked global civil society than we've ever seen before. At the same time, I think we've seen a reaction on the part of governments to this phenomenon; in many places you're seeing efforts to put forward NGO legislation that tightens up the space. You're seeing challenges to the fact that NGOs are getting significant chunks of bilateral or multilateral funding, some of which is devoted to advocacy and some to basic services.

We've also seen the emergence of this whole movement around issues of transparency and corruption, with Transparency International as a major force

in many places in the world. There's also the less visible International Budget Partnership, with 200 groups around the world doing budget monitoring of national governments and tracking where the money goes. So I think we've begun a process of developing accountability tools and an awareness of how to deal with accountability more practically that didn't exist before.

The financing question that you raised is a really important one because some governments are beginning to think about whether they need to tighten up the regulations in their particular countries regarding how international funding is channeled into public policy advocacy in their respective national contexts. That will make it more difficult for international funders to support grassroots mobilization, public interest campaigning and advocacy. I think it is a trend we need to watch rather carefully and perhaps challenge if we see it emerging.

On the philanthropy question, I think there is some good news and some mixed results. We are seeing for the first time the emergence of significant levels of philanthropy in countries where they had the potential for it but now it is becoming professionalized, secularized and mainstream. India is probably the most notable example. We've set up an Oxfam India that is basically engaged in state-of-the-art fundraising and philanthropic activities in India and is one of our most successful Oxfams in terms of the returns on investment they're getting from that philanthropic activity. Our hope is that, in time, they'll be able to grow and become independent of some of the funding that some of our Oxfam employees are providing to them. Similarly, we've created an Oxfam Mexico that's doing comparable experimentation in fundraising techniques there.

I think there are some other interesting challenges that have to do with shifts in the way international donor money is being allocated on a global level. It has particular implications for regions like Latin America, where we're seeing a major shift away from Latin America and toward Africa and to some degree South Asia, particularly with European funders. We're seeing a significant impact on what had been the emergence of a very vibrant civil society community in Latin America that is suddenly going to be challenged

by the disappearance of some large tranches of money from Europe over literally three or four decades.

EM: Shifting now to some conflict-related questions, in reading about the experience of Salvadoran women in refugee camps I was struck by the way they emerged with new skills and resourcefulness after years spent in the camps. I've read something similar about Sudanese displaced persons, particularly women. How prevalent do you think this experience is? And how can NGOs, like Oxfam, working in conflict humanitarian emergencies promote this transformation among refugees and displaced persons, and especially women, given what we know about women as agents of change?

RO: In many of these emergency situations we have been trying to move beyond the traditional operational response of delivering services in a camp setting to being more focused on capacity building and institution building within the context we are working. So, for example, in the Sudanese case we're working with Sudanese NGOs that are doing what are considered peacebuilding activities in and around camps in north Darfur. In a number of cases we're working with women's groups through those partner outreach initiatives.

The tricky part there is recognizing you've still got a large responsibility for delivering on the basic service needs of that population. But looking into the future, you want to assume that these are the people who are going to be going back to communities and rebuilding their lives, and you want them to be prepared for that kind of transition. You want there to be leadership within their various groups to be able to carry that forward. So in some ways you want to be anticipating that.

Working through partner relationships and identifying gender as a particular area of focus is something that we've felt is very important. Several years ago we did some research on post-conflict scenarios in various countries and were looking at what some of the indicators were that conflict had really subsided and a genuine post-conflict phase was present. Oftentimes there are these simple indicators, like we've had elections and once we've had elections and

have a new government set up, we assume we can all just move on. But we found that the most sensitive indicator of the fact that a conflict had moved on to new circumstances was the level of violence against women.

As we unpacked it, we found that you had all of these disarmed combatants who had to be reintegrated into their communities and in some cases, these were combatants who had been in conflict for five, 10, 15 years. They knew little else. They had few skills and in many cases they didn't necessarily immediately disarm. So you end up in this situation where you have a peace agreement, a period of calm, an election, a new government coming in and an assumption that everyone is laying down their arms and entering a new phase. But if you looked at statistics of violence against women and rape and various crimes of that sort, you found that it took a while for that to subside. So we began to look at that as almost a surrogate for post-conflict transitions.

TM: How does your approach to civil society development differ when you are in a post-conflict stage versus a post-natural disaster situation? These are often lumped together in the parlance of NGOs – “We do natural disasters and post-conflict work.”

RO: We've identified this whole area of “rights in crisis” as a substantive, priority area of focus for our policy and advocacy work in both the humanitarian sphere and the conflict arena. It was prompted by the work we did around the U.N. resolution on the responsibility to protect.² I think it is fair to say that we played a pretty important role in promoting that at the United Nations and lobbying many of the national delegations, including the United States, to get that voted through and approved.

What we've tried to do from a rights framework is look at what it actually means to try to move that forward. It's been very tricky terrain because the United Nations has been a little uncertain about how to implement it.

² The responsibility to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity is part of U.N. Security Council Resolution 1674. The concept is discussed at length in the Distinguished Lectures by Lloyd Axworthy (2005), Gareth Evans (2007) and Louise Arbour (2008). For booklets of their lectures, please see www.sandiego.edu/peacestudies/ipi/programs/distinguished_lecture_series/.

We've shifted to this rights and crises frame and logic for ourselves as a way of thinking about how we engage in these conflict and post-conflict situations – and whether and to what degree we're shifting our programs from protection of families and communities in camps to something that might involve shifting people back into normal lives.

Let me give you one specific example. One of the interesting cases now is Uganda and the movement of people back into the areas of northern Uganda. How do we shift from working with people in camps, where we've been present for a very long time, to actually helping people go back to what were their villages, which now in some cases are occupied? How do we help enable that process to occur without precipitating more conflict? Uganda is a case we've had to think about in very practical terms as the process has moved forward. It's moving forward rather haltingly but, nevertheless, we have to think about it in those terms.

TM: You mentioned R2P [Responsibility to Protect], which brings up the issue of rights and whose responsibility it is to fulfill rights – who is the duty holder? This is an issue that is becoming increasingly problematized, where the state (and sometimes the international community) no longer views itself as the duty holder or in some cases outright abdicates the responsibility. What are your considerations when you have a programmatic intervention in a country to ensure that the services you are providing directly to citizens, who are claiming rights not being fulfilled by the state, do not incapacitate or too greatly circumvent the role of state government in providing those same services?

RO: We're starting from the premise that citizens are entitled to basic services and basic protections as a threshold concept of human security, and that the state is the principal duty bearer – if we're going to acknowledge the sovereignty of the state. I think sovereignty is still a concept that, despite the debate about the responsibility to protect, is still subscribed to by most of the nations of the world, for fear that compromising it through these kinds of

measures at the international level could lead to other kinds of consequences down the road.

In our particular case, we see ourselves as appealing to the international system when we think states are either ignoring or not fulfilling those responsibilities to basic protection or, in the worst of cases, acting as predators vis-à-vis their own population. I think the tricky part for us as an NGO active in that kind of a context is how we interpret our humanitarian imperative. For us, that's the critical piece. We have a humanitarian imperative; it's critical to our DNA as an organization. We think that the international community has indicated through a variety of international treaties and statements of international law that citizens are entitled to certain basic rights and that our role in those contexts, apart from delivering services, is to be a voice for the rights of those who may not otherwise have any means of redress.

The tricky part of that calculus is in what circumstance we determine that we can't meet our humanitarian role in a practical or operational way on the ground because the circumstances don't permit it. Do we then opt for a more public challenge to the responsibility that should be exercised by the duty bearer, whoever that may be? I think that is always the balancing act of a humanitarian organization: Do we stay and assist and allow others to make those claims, or do we pull out and exercise those claims more aggressively using all the tools that may be available to us? That is probably one of our biggest ethical dilemmas as a humanitarian organization, and I think that's true of all the organizations in our community.

EM: There is a shift that some have characterized as the whole NGO landscape tilting not just toward partnerships with businesses, which many NGOs see as a more sophisticated type of philanthropy, but toward market-based solutions, market mechanisms and, for better or for worse, market dynamics. To what extent do you agree with this, and in what ways is Oxfam's private sector initiative tapping into this shift and making use of it to advance its smart development missions?

RO: Over the last decade, Oxfam has given a lot of thought to whether

we have been seeing the development challenges of the 21st century in an accurate and comprehensive way. One of the things we've realized is that the private sector is playing an increasingly important role in setting some of the opportunity horizons for poorer countries and poorer communities, and perhaps we have underappreciated the importance of what goes on through private sector investment as part of the way we go about doing our work.

With that in mind, we have invested considerable effort in trying to think through what the metaphor of globalization suggests about how we should be doing our work in the 21st century world. The idea, for us, is that globalization is about the accelerated movement of people, ideas, images, technology and finance around the world in an accelerated chase for profit, and we're trying to understand what that could mean translated into use for humanitarian development purposes. Is the process of globalization inherently harmful to the poor, or are there aspects of it that could actually be beneficial to the poor?

We came out with something of a mixed review of that. In the most succinct form, particularly looking at global trade, we articulated the view that international trade is not inherently bad for the poor, but the rules of the international trade system are rigged against the poor. And perhaps, as we approach globalization, we need to look at how countries can get fairer deals and better terms of trade and how the rules of the international trade system can be balanced in ways that are going to be pro-development mainly for poorer countries.

The work we did on international trade led us into a more direct relationship with private sector firms. It led us into a variety of corporate social responsibility fora and into a variety of conversations with companies about normative standards and business practices. It also opened up a whole new arena of work for us of trying to look more concretely at specific businesses that had very direct impact on the lives and opportunities for poor nations – in sectors such as agricultural exports, extractive industries, the coffee industry, pharmaceuticals and the availability of drugs, just to name a few.

It has also led us to see the private sector increasingly as a non-state actor of significance that in many ways is outside the framework that we were traditionally using to look at development issues, which was usually focused on the role of multilateral and bilateral funding organizations and the impact of their aid dollars in developing countries. Recognizing that foreign direct investment today was dominated by private investment rather than development assistance, we needed to be shifting our focus away from a narrow focus on foreign aid and expanding it to appropriate a view toward the impact of private foreign investment.

In summation, it is probably fair to say that, for us, looking at the private sector and the role of corporations and the role of value chains and supply chains is going to be a much more central part of the work we do in the future. Figuring out ways that we can harness and shape business models and supply chains to operate in ways that might be more favorable to developing countries is something we are giving thought to. Shaping corporate practice with a “Do No Harm” principle in mind is at the core of the ethic we are trying to bring to this. And we’re finding that we’ve had to develop a whole new set of competencies and staffing capabilities to enable us to do this well.

TM: Switching from the organizational to the personal, how did you become involved in this work?

RO: I suppose that I found my way into this field through a bit of historical circumstance, a bit of luck and a bit of exposure to some good mentors along the way. I grew up in the southern United States in the time of segregation and the emergence of the civil rights movement. I was exposed to some of the impacts of segregation on minority communities in the South. I attended the first integrated high school in North Carolina during that time, so I felt very directly what that might mean in a place like North Carolina where the civil rights movement was brewing and emerging. The sit-in was in Greensboro, N.C., you might remember. So that was very real and immediate and surrounding in terms of my personal experience.

I ended up being fortunate enough to attend the University of Notre Dame, which had a very strong environment of values-based education. And in the midst of the Vietnam War, it launched the first peace and justice program in the United States under the leadership of Father [Theodore] Hesburgh,³ who was becoming a major figure in the Catholic Church in terms of opposition to the Vietnam War and was also formerly the head of the U.S. Civil Rights Commission. It was an environment in which both civil rights and anti-war activism were alive and tolerated, but where the energy around it was channeled in very interesting and constructive ways into very positive conversations. I heard these conversations and I participated in a process that was, you might say, politicized but managed in an intelligent and constructive way for the students who were part of it.

In terms of other formative experiences, I later attended Cornell University where my first day of class was Sept. 11, 1973, which was the day of the Chilean coup and the overthrow of the [Salvador] Allende government. It happened through pure serendipity that I was in a class with 10 Chileans and two other North Americans. It was a course on Latin American economic history and the professor was a former advisor to the president of Chile, Eduardo Frei [Montalva], and the entire class was deeply affected by the events in Chile at that particular time. The entire course turned into a discussion of the meaning of democracy for Latin America with the fall of the Chilean government. That led me to be involved in a variety of human rights activities at Cornell related to Latin America, and assisting refugees from Chile to enter the United States and become resettled here. It broadened my exposure to the broader human rights movement.

I later worked for the Inter-American Foundation which, at the time I was there, was a very experimental organization in Washington, D.C., focused on grassroots empowerment. Many of the programs we supported were linked with organizations in Latin America that were connected with the liberation theology movement. I was exposed in depth to the major actors, the Brazilian bishops, the major theologians in that field, as well as the base community work and organizing to promote literacy, basic health and other projects

³ Hesburgh serves on the IPJ's International Council.

connected to the liberation theology movement in Latin America.

Later I ended up at the Ford Foundation – which for many years has been the premiere U.S. foundation funding the human rights movement both in the United States and internationally – and was in two of their international offices, in Lima, Peru, and in Bangladesh, where we were funding the emergence of human rights organizations. Most notably, in Chile we were funding the organizations that were keeping discussions about democracy alive and were also part of promoting the national discussion about the return to democracy. I participated in an indirect way in that experience, as well as previously with grassroots organizations in Brazil and the democratic transition with the end of the [Ernesto] Geisel regime, the return to democracy and the Tancredo Neves and José Sarney governments coming into power.

This work is extraordinarily gratifying because of the people you meet, the experiences you have and the quality of the organizations you are able to support, directly or indirectly. A major moment I was a part of, for example, was the funding of the launch of the Rubber Tappers Association of Brazil, with Chico Mendes. I was one of the only non-Brazilians to attend the launch meeting of that organization. I funded that meeting, which was then involved in setting up the extractive reserve movement in the Brazilian Amazon.

I was also the chair of the Grameen Bank donor consortium during the hyper-growth phase of the Grameen Bank, so I had a very close association with that before Muhammad Yunus won the Nobel Peace Prize. There are many other similar stories I could tell about all the amazing people I've had an opportunity to work with.

EM: I'm struck by how your own trajectory, your dawning political consciousness throughout your developmental years, was rooted in experiencing or observing conflict personally. One concluding question: What energizes you the most in your work?

RO: I think what energizes me the most is an abiding belief in social change – that social change is possible. I've lived long enough and in enough different contexts to see significant social change and be able to believe that though it may not happen in five minutes, it may happen in five years. It involves an investment of time, a building of institutions, capacity and confidence in people, and a recognition that there are larger structures and larger systems that have to be changed as part of the process.

“I think what energizes me the most is an abiding belief in social change – that social change is possible.”

If there is one theme in my evolution or awakening consciousness, it's that I originally ascribed to the view that a lot of this work could be done at a grassroots level – that it was all about grassroots empowerment. When I worked at the Inter-American Foundation our mantra was, “They know how.” I realized over time that they may know how, but the folks who have the money and the power may not be listening. Much of what we worked on would not work on a grassroots scale or be given legitimacy unless there was pressure on systems and policy, and unless new ideas were introduced and enough smart people and clever tactics and strategies could get those good ideas into the right places to spark that change.

So I became something of a believer that grassroots empowerment was important but may not be enough – that it needed to be supplemented by other kinds of support and intermediation and other tools that groups like Oxfam or Amnesty International or Human Rights Watch could provide to help those processes to come to more meaningful fruition.

WELCOME

Dee Aker

Deputy Director

Joan B. Kroc Institute for Peace & Justice

Good evening, and welcome to the Joan B. Kroc Institute for Peace & Justice.

The Joan B. Kroc Distinguished Lecture Series is dedicated to exploring new knowledge about how to prevent violent conflict. In past years we've explored themes such as the role of human rights, international law or the environment in conflict prevention. This year we're taking a closer look at development and conflict prevention.

Conventional thinking might suggest that development should be discussed by economists or political scientists or international organizations, and yes, all of that is true. Economic development is everyone's business. But here tonight we want to look particularly at development as it pertains to peace – as a tool for building stable societies where inequities don't encourage violence and where the power of the purse doesn't leave children starving.

With each Distinguished Lecture, we are reminded that there is no single solution, no development template that can be forced into every country or community. We need multiple solutions that are created in solidarity with those communities to meet their very specific needs and deal with their structural deficiencies at all levels. We hope that tonight's presentation will contribute to the development toolbox for building, or rebuilding, societies where violent conflict is the exception, not the rule.

I'd like to ask School of Peace Studies Instructor Topher McDougal – who has consulted for various organizations, including the World Bank and the International Rescue Committee, on private sector development, urban economics and public finance in postwar and developing countries – to introduce tonight's speaker.



INTRODUCTION

Topher McDougal

Instructor

Joan B. Kroc School of Peace Studies

Thank you, Dee. It has been an honor for me to spend quite a bit of time with tonight's speaker as he moved around campus today, meeting with students, faculty and media. Just keeping up with him I look a little bit worse for wear, but he's still dapper, cogent and seemingly going strong.

Raymond Offenheiser's biography is in your program, so instead of his CV I'd like to focus on the great resonance that Mr. Offenheiser's life's work has with the mission and goals of the Joan B. Kroc School of Peace Studies here at the University of San Diego. In his capacity as president of Oxfam America for the past 13 years, Mr. Offenheiser has overseen that organization's tremendous growth and transition from a more strictly program-oriented humanitarian relief organization to a rights-based development and advocacy organization with great visibility and influence.

Moreover, Mr. Offenheiser – who was a peace studies undergraduate minor at Notre Dame by the way – is acutely aware of the intimate link between development and peacebuilding. In fact, just yesterday Mr. Offenheiser was recounting to me and a few others what sounded like a harrowing experience in a bomb attack in Lima, Peru, while working on an agricultural development program there. Ironically enough, the attack was carried out by the Sendero Luminoso, or Shining Path rebels, who arguably grew out of a frustration over rural-urban development disparities.

In any case, many of the countries in which Oxfam now operates are affected by conflicts, whether violent or otherwise. Oxfam America therefore sees equitable development as entailing the strengthening of civil society, providing the channels for conflict to resolve in non-violent, more constructive ways. So you can see that Mr. Offenheiser's career as a development professional echoes the four major specialization areas that the Kroc School has identified in our master's program: development, human rights, human security and conflict resolution.





In addition, Oxfam's intellectual organizational culture and its willingness to wrestle with many of the larger policy questions, even as it engages on the ground level programmatically, echoes the Kroc School's own mandate to both study and make peace, and to produce graduates who are reflective practitioners and also practicing scholars.

We are honored to be able to host just such a role model of reflective practice here this evening. Please join me in a very warm welcome for Mr. Raymond Offenheiser.



*Aid That Works:
A 21st Century Vision
for U.S. Foreign Assistance*

Raymond Offenheiser

Thank you, Dee, for your warm welcome, and Topher, for that kind introduction. I'm honored to be here at the University of San Diego in no small part to honor the legacy of philanthropist and activist Joan Kroc, in whose name this wonderful center is named and dedicated. I didn't know Joan personally, but in learning about her I'm fairly certain that we would have been fast friends. For one thing, I think it's probably fair to say we shared a common passion.



As Topher said, I was one of the first graduates of the Kellogg Peace Studies Program at the University of Notre Dame, which was founded by its president at the time, Father Theodore Hesburgh, during the height of campus turmoil over the Vietnam War. In the mid-'80s, Joan heard Father Hesburgh, a former member of the International Atomic Energy Agency, speak out against the dangers of nuclear proliferation, and shortly thereafter she gave \$6 million to establish an institute dedicated to the study of peace and conflict resolution at Notre Dame. And then she gave another \$6 million. And then another \$5 million. And finally a \$50 million gift, the single largest gift in Notre Dame's history.

When she passed away in 2003, a *Washington Post* tribute to Joan recalled how she liked to describe herself as a "maverick salvationist." At the time,

her gift of \$1.5 billion to the Salvation Army was the largest philanthropic donation in American history. The sheer size of that gift and others – the scale of her philanthropy – is what she is often remembered for.

But the style of her philanthropy had an equally large impact, and one that I especially appreciate. Some 20th century philanthropists set up foundations. Joan thought that was too much paperwork. She preferred to make targeted, generous gifts – without formality or fanfare – to organizations she believed could make a difference, hence her gift to establish this institute here. In this way, as the *Post* noted, Joan was not only a maverick salvationist, but also a maverick philanthropist.

Oxfam embodies a similar maverick spirit that characterizes our work around the world. As an NGO that champions poverty alleviation and human rights, we try to bring the voices of the poor to the tables where decisions are made. This has been part of our heritage since our very founding by a group of Oxford University scholars, Quakers and humanitarians during the darkest days of World War II. These citizens of conscience formed a coalition to lobby the Allied High Command to assist Greek refugees whose food and fuel had been confiscated by the Nazis, and who, as a consequence, faced starvation in the winter of 1942. Eventually, Oxfam convinced the British and U.S. governments to permit and facilitate humanitarian shipments to Greece, during a wartime embargo, and enabled Oxfam to feed and clothe the abandoned refugees.

Today, almost 60 years later, there are Oxfam International affiliates in 14 different countries. Together we spend almost \$900 million annually in some 110 countries, supporting the work of some 4,000 indigenous nonprofit organizations. In practice, this means we have 400 staff in the refugee camps of Darfur providing water, sanitation facilities and food. It means that we are frontline responders to natural disasters like the Asian tsunami, the Katrina and Rita hurricanes and the recent earthquake in Haiti. It means that we work with organizations around the world that seek to address problems of poverty and injustice through programs of agricultural production, public health, microfinance and human rights. It means we conduct public education

and consciousness-raising through schools, churches and community groups across America.

We don't consider this charity work. We see it as empowering people, communities and nations to undertake transformative social change that hopefully will positively affect the lives of millions of people. And while that may sound a little ambitious, who would have thought that when a little drive-thru hamburger joint first opened in San Bernardino 60 years ago, one day you would be able to buy a Big Mac 9,000 miles away in Kuala Lumpur, Malaysia, or Riga, Latvia, or Lahore, Pakistan? More to the point, who would have thought that the proceeds from that little fast food joint could one day finance the study and pursuit of social justice?⁴

“We don't consider this charity work. We see it as empowering people, communities and nations to undertake transformative social change ...”

In doing this work, I am often reminded of the wonderful Flannery O'Connor quote: “You shall know the truth, and the truth shall make you odd.” I have spent my entire professional career being odd, looking – as Joan did – for a better way to connect the dots on behalf of the common good. I grew up in the segregated South during the early years of the civil rights movement. After college I worked with youth gangs in tough inner-city neighborhoods of Philadelphia. Then I spent six months milking cows on a poor Israeli kibbutz where I learned a lot about Israel's birth, the Palestinians' plight and what it takes to make a desert bloom.

This led me to a graduate program in International Agriculture at Cornell University during the peak of the Green Revolution, where I could combine an intellectual interest in social change and hunger with a practical program

⁴ Joan Kroc's husband, Ray Kroc, was the founder of McDonald's.

of study in the agricultural sciences. If anyone here wants to talk about raising cattle in the tropics, I'm your guy. I went on to serve at Save the Children, the Inter-American Foundation and the Ford Foundation.

Working in Brazil and Chile during their democratic transitions, I saw firsthand the hunger for democracy and the power citizens possess to force even the most powerful military governments to yield to their wishes. In Bangladesh, I worked closely with Muhammad Yunus, who is today a good friend and partner in spreading his Nobel Prize-winning work on microcredit to developing nations around the globe.

I've been privileged to live the values I learned from my Catholic high school and college alma maters, and I've loved every minute of this work. But I'm also reminded every day how much remains to be done, so it's wonderful to be here with all of you to talk about a 21st century vision for U.S. foreign assistance. In our time together tonight I want to cover three things. First, I want to share Oxfam's perspective on poverty. Next, why we think our current aid system is broken. And finally, what we think America must do to make it work – for good.



Offenbeiser talks with Peace and Justice Studies master's students Veronica Geretz and Tiffany Robertson

Let's start with poverty. Most people, if asked, would define poverty as a lack of resources. But it's clear in our world today that we're not necessarily lacking in resources. In fact, we have more resources, more growth and more development than ever before. In the midst of the economic crisis of 2008, *The Economist* published a rather contrarian article noting several trend lines with respect to global poverty. For example, in the past 25 years, they wrote, 420 million people in China have escaped extreme poverty thanks to that country's explosive growth. Child mortality worldwide has declined by 25 percent since 1990. In Southeast Asia, twice as many people now have access to clean drinking water.

And while this past decade was economically disastrous for America and the West, it was a time of surging economic growth for the world's poor. Today, half of the world lives in nations whose economies are growing at 7 percent or more each year – a rate of expansion at which these economies will effectively double in size every 10 years. The result is equally impressive: The proportion of extremely poor people in the developing world was almost halved between 1990 and 2004, from 31 percent to 19 percent.⁵

While significant, most of this growth has come in China and India while African nations have fallen behind. So despite this enormous progress, 2 billion people today are still scraping by on less than \$2 per day. Eight-hundred-and-fifty million people cannot get a glass of clean water to drink. One billion people are chronically hungry. And every minute we spend together tonight, a woman will die in childbirth and 20 children under the age of five will die of malnutrition and disease, simply because they are poor.

I often cite these numbers, but in the aggregate they can be a bit bewildering – so let's try to put them in some perspective. Imagine this room as a microcosm of humanity. There are about 300 of us here tonight. There are probably 10 of us who would be Americans, 12 of us would be Europeans and 30 of us are starving. Thirty-six of us are between the ages of 15 and 24, but only nine are getting a college education.⁶ Among those of us who are

5 "The world's silver lining," *The Economist*, Jan. 26 - Feb. 1, 2008.

6 Youth population (18 percent) from www.un.org/esa/socdev/unyin/quanda.htm#2; tertiary education statistics from UNESCO.

adults, one in four women cannot read. And overall, 78 of us have no access to sanitation. Looking around at our virtual globe, the world would appear clearly unjust. Resources are distributed unequally. Opportunity is distributed unequally. Prosperity is distributed unequally.

“Poverty, to us, is not the absence of resources Poverty is about the presence of injustice, the presence of social exclusion, the presence of systemic frameworks and practices that trap the poor at the bottom of the ladder.”

This is how Oxfam sees the world. Poverty, to us, is not the absence of resources. And it is certainly not the absence of ingenuity or hard work on the part of the poor. Poverty is about the presence of injustice, the presence of social exclusion, the presence of systemic frameworks and practices that trap the poor at the bottom of the ladder. And it's about the lack of access to opportunities and services that would allow them to break the cycle of poverty.

Very often, governments have money to provide public goods to wealthy and middle-class citizens, but they don't necessarily invest the funds in ways that advantage the broad population. Onerous credit terms prevent the poor from borrowing to start a business or saving for a rainy day. The poor are excluded from education because school fees are often too high or because there are no schools in rural areas – or for as simple a reason as no toilets for girls. Health care for the poor is grossly underfunded or privatized, excluding the most vulnerable and subjecting them to otherwise preventable disease.

Add this all up and you find that poverty equals powerlessness. And the only way to address the root of poverty, therefore, is to empower. That's what Oxfam seeks to do. We work directly with poor communities to address the

barriers that exclude them from opportunity and access – and support them to change the unjust systems that are holding them back. We also work in Washington to end those U.S. policies that have a negative impact on poor countries and to strengthen those U.S. policies that could do the most to support poor countries.

“...prioritizing poverty alleviation is more than just a matter of conscience. It’s actually a matter of global security. The bottom billion who struggle for survival every single day are a vulnerable mass that can be easily swept into conflict, mass migration or political upheaval, rapidly destabilizing entire regions of the world.”

Some might say it’s a futile endeavor – that the poor will always be with us. Certainly there are times when we feel like David against an army of Goliaths, but Oxfam believes that poverty is not a preordained human condition but rather a human invention, and therefore we have both a moral responsibility and a practical ability to eradicate it. We also believe that prioritizing poverty alleviation is more than just a matter of conscience: It’s actually a matter of global security. The bottom billion who struggle for survival every single day are a vulnerable mass that can be easily swept into conflict, mass migration or political upheaval, rapidly destabilizing entire regions of the world. And it’s true that today leaders in our security and intelligence establishment have actually recognized this.

That is why U.S. development assistance, the topic I want to talk about tonight, is so important. The stakes are incredibly high. And when U.S. foreign assistance is used to fight poverty effectively, it builds a safer, more prosperous world for everyone – even as it bolsters our standing as Americans and our moral authority abroad. When aid is done poorly, however, it fails to deliver any lasting results. It wastes precious resources and undermines American leadership and values. Even worse, it can erode the trust that poor people abroad have in their own governments, perpetuate the systems that

contribute to poverty in the first place and further destabilize the developing world.

I’m sorry to say that, today, U.S. aid is far from reaching its true potential. For all our good intentions, our government persists in counterproductive behaviors that serve American taxpayers poorly and, too often, fail to serve the poor. To boil it down, I’d say our system suffers from four key deficiencies: It is outdated, incoherent, more directive than collaborative, and it emphasizes the wrong priorities – to the detriment of poverty alleviation abroad and our national security at home.

I think it’s fair to say most Americans have no idea that our foreign assistance is still governed by a law that is older than many of you here. But, can you imagine trying to find your way around today’s world with a map that was drawn in 1961? That’s effectively what our development strategy today amounts to: We’re charting our course with a guide that was crafted almost half a century ago. It’s like asking today’s university students to research and write a term paper with a card catalog, a stack of index cards and a manual Smith Corona typewriter. And yet even if our tools here were state of the art, the truth is the Foreign Assistance Act has failed to achieve even its original intent.



In 1961, President Kennedy hoped that this law would streamline and rationalize our aid. As he said at the time, and I quote, “No objective supporter of foreign aid can be satisfied with the existing program – actually a multiplicity of programs. Bureaucratically fragmented, awkward and slow, its administration is diffused over a haphazard, irrational structure, covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete and inconsistent and unduly rigid, and thus unsuited for our present needs and purposes.”

Kennedy took action to address this problem in 1961; he created a single, strong agency that unified all development assistance with separate authorities and budgets, and a complementary but distinct role from the U.S. Department of State. Unfortunately, the problem that President Kennedy hoped to fix in 1961 has gotten even worse. Today the Foreign Assistance Act lists 140 different goals and priorities, 400 different directives – and these directives are executed by at least 12 departments of the U.S. government – 25 agencies and some 60 government offices. This tangled mess confuses rather than guides our aid implementation.

Let’s just take Afghanistan for a moment as one particular example, and perhaps the most important development arena for U.S. foreign policy. With at least eight different U.S. government agencies on the ground, U.S. military, political and development efforts are coordinated only when officials make a special effort to talk to one another. When they don’t, and in truth they often don’t, they work across purposes. They burden local officials with too many meetings, they waste taxpayers’ money and they fail to keep our promises to the Afghan people.

USAID is supposed to lead our development in Afghanistan, yet it is asked to manage billion dollar budgets with a skeletal, high turnover staff. Instead of deepening their knowledge of the culture, politics, language and priorities of Afghans, USAID staff has time only to shovel out the money.

It is little surprise then that over 50 percent of USAID funding goes to five

American for-profit contractors, who in turn spend a significant portion of that money on U.S. consultants. In the meantime, we provide only limited support to the Afghan government itself to demonstrate to the Afghan people that it can effectively, legitimately lead the nation. Granted, Afghanistan is a war zone, rife with logistical, political and social challenges. Unfortunately, our aid policies are often counterproductive, even in relatively stable nations.

“... over 50 percent of USAID funding [in Afghanistan] goes to five American for-profit contractors, who in turn spend a significant portion of that money on U.S. consultants.”

Now let’s take Bangladesh for example, a country where seven out of every 100 children still die before their fifth birthday. We give \$80 million per year in foreign assistance to Bangladesh. And while that may sound like a lot, it’s about one-tenth of what Americans were expected to spend on Valentine’s Day cards this year. At the same time, we charge the Bangladeshi government half a billion dollars in tariffs for products that Bangladeshis produce for export. That’s 40 percent more than we charge France, despite the fact that we import more than 12 times as much in dollar terms from France. Our failure to think strategically about development within our own government means we’re constantly pushing a metaphorical boulder up a mountain of our own making.

Contrast the lack of coherence in this context with our obsessive control in other areas. In Mozambique, for example, a study by Senator Richard Lugar found that 150 USAID staff spent more than 600 days producing reports on their work – 600 days they could have actually spent doing that work. They produced reports on program audits, reports on earmarks, reports on financial integrity. They even produced something called, believe it or not, a report on reports. And soon they’re probably going to need a report on that one as well.

A side counterpart to our micromanagement of aid workers is our pension for posing congressional earmarks that often speak more to our own priorities than those of the people we're trying to help. Oxfam has seen cases where U.S. aid workers were forced to build schools when what the country really needed was teachers for the classrooms it already had, or cases where U.S. congressional projects trumped local environmental priorities.

While Kenya, for example, was reeling from a governance crisis that destabilized most of East Africa, 85 to 90 percent of our assistance to Kenya was earmarked for HIV/AIDS treatment and prevention. HIV/AIDS is undoubtedly a priority, to be sure, but how can you effectively deliver health services in a country where ethnic violence has broken out? Hundreds of people had been killed in the streets and hundreds of thousands more had been displaced by the conflict, so having our funding locked into a specific use certainly reduces its impact. It's about as sensible as earmarking 90 percent of San Diego's disaster funds for flood control. Yes, it's a problem, possibly, but not the only or the most strategic problem you face here locally.

Finally, and especially over this last decade, the aim of our foreign assistance has been skewed. In an age when our nation is preoccupied with combating fundamentalism and terrorism, fighting poverty has become subordinated to those goals instead of being integral to them. The security establishment in Washington recognizes that persistent poverty can alienate populations from states, increase the risk of civil conflict and erode weak states' capacity to govern. Secretary [of Defense Robert] Gates has been particularly eloquent on this point.

And in the post-Cold War world, we also understand that America's greatest security threats will come not from strong states, but from failing ones. And that's why policy makers and analysts increasingly call for smart power, which means combining the hard power of the U.S. military with the tools in our soft power arsenal.

In the parlance of Washington, this new comprehensive approach to security threats is called the "3-Ds," which stands for defense, diplomacy and

development. But right now the three legs of the security stool are woefully lopsided. Of the total outlays for national security in 2007, 95 percent was for defense and just 3.5 percent was for development. One of every three U.S. foreign assistance dollars today goes to countries that are political allies in the war on terror or the war on drugs.

Instead of fighting poverty where it exists, we're fighting it where the U.S. government is already fighting. Meanwhile, just one of every 16 dollars of development aid is actually spent on the world's 10 poorest countries. The entirety of all of our aid to sub-Saharan Africa between 1961 and 2005 amounted to only about half of what we spent for military operations and reconstruction in Iraq and Afghanistan in 2007 alone.

"The entirety of all of our aid to sub-Saharan Africa between 1961 and 2005 amounted to only about half of what we spent for military operations and reconstruction in Iraq and Afghanistan in 2007 alone."

When Oxfam sees the Department of Defense playing a greater role in setting foreign aid priorities while our civilian agencies suffer from depleted capacity and resources in the field, we genuinely believe that our short-term tactical concerns are trumping our long-term strategic interests in poverty alleviation. When we see the military using foreign aid as a force multiplier and diplomats using it to persuade a foreign government to cooperate with us politically, experience in the field tells us that we cannot expect poverty alleviation to result. But Oxfam's experience also tells us that whether our nation fights poverty for moral reasons or to improve its own security, truly effective foreign assistance will only happen when we are fighting poverty for its own sake.

So that's why Oxfam is calling for a more intelligent balance among the three

Ds. We believe that it is through reducing global poverty that we will eventually counter the threat of instability. And it is through improving poor people's lives that we will earn their trust and build the diplomatic partnerships we need to secure our national interests. In other words, fighting global poverty must be development's singular priority, singular goal and singular focus. It must be a U.S. foreign policy objective in and of itself – an objective that is not subservient but essential to our security and other national interests.

And if we're going to do this work coherently, consistently and collaboratively, we need a national strategy for global development that defines that singular mission, establishes the principles to help to achieve it and coordinates our government to get it done. This is the starting point.

The good news is that a consensus has emerged on the need for foreign assistance reform. Voices across the spectrum in Washington are calling for a renewed approach, from the bipartisan HELP Commission⁷ launched by President [George W.] Bush and scholars, think tanks, practitioners and members of Congress like California's own Howard Berman to President Obama himself. For those of you unfamiliar with the pace of consensus building in the development space in Washington, this is akin to a blue moon, pigs flying and the San Diego Padres winning the World Series all on the same day. The degree of agreement around the need for reform and the types of reform needed is unprecedented, and therefore this is, in our minds, a moment of tremendous opportunity for those of us who care deeply about human rights and social justice.

From Oxfam's perspective, a new strategy for development should start with the simple recognition that the answer to global poverty lies with the people in the developing world and their governments. We need to help governments and citizens find ways to finance and meet their own development needs. The end goal of our foreign aid policy, after all, should be to render itself unnecessary. But to get there, we need to deliver aid in a way that strengthens rather than undermines the relationship between citizens and governments in poor countries. To that end, we believe that a national strategy for global

⁷ HELP stands for "Helping to Enhance the Livelihood of People around the Globe."

development should be informed by three important principles.

The first principle is that our national strategy should give poor people what they actually need. Now, this seems like a rather self-evident concept, but as I noted earlier, we often fail to stop and listen to the people we are trying to help. Let me give an example.

Several years ago, \$30 million in U.S. aid was appropriated to deliver roofing timbers to people in Afghanistan's central highlands. According to an NGO on the ground, the agency in Geneva meant to oversee the project took 20 percent of the \$30 million for administrative costs and then sub-contracted to another NGO in Washington, D.C., that took another 20 percent, which in turn sub-contracted to an Afghan NGO that took another 20 percent. Then they paid money to a trucking company in Iran to haul the timber. Once the timber arrived, it was found to be of no use as roofing timber for the villagers. In fact, it proved to be too heavy for the mud-brick walls of their homes. So the villagers chopped the wood up and used it as firewood.

"... when poor people are put in charge of their own development, we can have a tangible, positive impact on their lives."

In other words, our failure to pay attention to what people truly needed meant American development dollars literally went up in smoke. But when poor people are put in charge of their own development, we can have a tangible, positive impact on their lives.

In contrast, a success story in Afghanistan is what is called the National Solidarity Program. In 2003, this program gave rural villages ownership over their own economic development. One village in Afghanistan, Dadi Khel, is in the mountains near the Pakistani border, where the Taliban insurgents

were recruiting economically isolated villagers. As part of the National Solidarity Program, villagers chose to build their own hydropower plant that would bring electricity to about 300 families. The villagers recorded, in a very transparent manner, government aid disbursements for the entire community to see, reinforcing the relationship between citizens and their government. What's more, the Taliban feel less comfortable attacking village-led projects than they do clearly branded foreign aid initiatives.

A second critical principle to a new national development strategy is choosing the right benchmarks for success. When measuring results, we need a field perspective that looks at development outcomes, not a bean-counting, box-checking Washington perspective that only tallies inputs and outputs.

But within that framework, we'll also have some important decisions to make about whether the outcomes we see should be immediate or long term. Do we, for example, choose to meet the needs of vulnerable populations for vital goods and services today? This is the thrust of current programs like PEPFAR, the acronym for the President's Emergency Plan for AIDS Relief, through which the United States provides life-extending antiretroviral treatments that have enabled some 2.4 million individuals with HIV to reclaim their future. Or, do we invest in building more durable capacity of states, citizens and markets to deliver outcomes over time, like promoting educational and preventive health care systems that could help shield people from getting diseases like HIV in the first place?

“... when it comes to development, our concern for speed and output is undermining our ability to take a long view and get durable results.”

Today, America increasingly chooses the quick win. I think we do that in part because, as Americans, we are impatient for results. We have a business sector that lives and dies by the logic of quarterly returns. Our high-tech

sector runs on creative overdrive, always looking for the new thing. Even Joan Kroc acquired her fortune thanks to our appetite for fast food. But when it comes to development, our concern for speed and output is undermining our ability to take a long view and get durable results.

So as we ask ourselves the tough questions about where taxpayers' dollars are best spent, and as we confront the ethical dilemmas inherent in some of these choices, we have to keep our eyes on the prize and ensure that our tactics are in line with our strategic aim, which is fighting poverty and helping others help themselves.

The third and final principle of a national strategy can be summarized as ownership: giving those we are trying to help the reins of their own development. Because as much as we like to think otherwise, we can't develop people or countries. We can give them some tools, we can give them some incentives, but they actually have to develop themselves. In practice, the ownership concept begins by transferring information to recipient government and citizens – predictable, transparent information about how much aid money there is, who it's coming from and where it's going.

Now this sounds grotesquely obvious, and none of us here could manage our own organizations or households if we never knew how much money we had in the bank or who had access to that account. But in recent studies that Oxfam has done, we've found that, for example, the government of Afghanistan has no idea how one-third of all U.S. aid has been spent since 2001, which amounts to some \$5 billion. In Uganda, a mapping exercise in 2005 found twice as much aid being spent as what the government was told. The government of Sierra Leone knows little about 265 aid projects that donors are aiding in its own country.

If governments don't know what's going on in their own countries, they can't be effective and they can't be responsible, or even accountable for that matter. They can't plan or manage their poverty alleviation programs, or explain to their populations what exactly is going on, or what they're in fact doing. Meanwhile, citizens can't hold their governments accountable

for progress. This has to change. It has to change so aid recipients have an ownership stake in their own development, within their own countries.

Second, ownership means transferring capacity to recipient governments and citizens. Now some U.S. assistance for capacity building has already worked quite well. USAID has helped El Salvador's legislative assembly emerge as an independent institution. It has facilitated important public hearings in Mozambique and supported the rebuilding of Afghanistan's Ministry of Finance and central bank, just to give a few examples of the kind of institutional investment in capacity that we can take some credit for. But the fact is we're spending one out of every three U.S. aid dollars on technical cooperation. And given the scale of that investment, we ought to have more to show for our efforts. Why don't we?

One reason is that USAID is required by law to hire American contractors, who often cost 15 to 30 percent more than local contractors from the recipient country, even though the goods and services that they receive aren't necessarily any better. The opportunity cost is also too high. Tying aid in this way keeps local contractors from using resources that would otherwise develop their own capacity and generate economic opportunity within their own communities.

The way to fix this problem is to give our development professionals more discretion in solving challenges on the ground, at the coalface if you will. If a U.S. consultant knows more about the problem, speaks the language and can get the job done, then USAID should have the power to hire her. But if she's being hired and charges more simply because she understands the U.S. aid machine, then we have a problem.

Finally, to promote ownership as part of an effective national strategy for global development, we need to transfer control to recipient governments and citizens. Members of Congress and U.S. officials overseeing foreign assistance are often afraid of handing over the keys. But when we weigh down our aid with inflexible earmarks and directives, we send the message to aid workers that Washington officials don't trust them to do their jobs. And

to recipient countries we send the message that they can't be trusted to know what's best for their own institutions and communities. If the ultimate goal of our development assistance is to put ourselves out of business, it's hard to see how this strategy can lead to success.

Oxfam believes we ought to be sending a message of partnership instead. At a minimum, we should limit earmarks and presidential initiatives that are inconsistent with country priorities. But to lead with best practice, we should increase budget support for development purposes to responsible governments and let them determine where our limited dollars might be best applied.

I've talked a lot about problems tonight, but let me spend a moment on success. Earlier in my career I lived in Bangladesh, in the early '90s, and I saw firsthand what good can come from the kind of approach that I'm talking about. You might recall that as recently as 40 years ago the country that is now Bangladesh was actually East Pakistan. It was one of the poorest and most unstable regions in the world. In 1971, a civil war broke out in Pakistan that resulted in the birth of Bangladesh as a nation.

In the aftermath of that conflict, Henry Kissinger memorably described Bangladesh as the world's "basket case." He was, at that time, right. Bangladesh had seen more than 2 million people killed in its fight to become an independent state. Some 2.5 million people fled as refugees into neighboring India. There was a massive number of internally displaced persons. The nation's physical, social and agricultural infrastructure couldn't support its exploding population. Political unrest persisted amid three years of famines and postwar devastation.

Fast-forward to the present. You no longer hear about famines in Bangladesh because over the years USAID worked with Bangladeshis to build domestic agricultural institutions to contend with the nation's long-term food security challenges. You no longer hear about the devastating effects of overpopulation in Bangladesh because USAID helped build capacity in the government and NGO sectors to support long-term family planning programs and maternal

and child health programs. You no longer hear about a deficient civil society because USAID invested heavily in Bangladesh's efforts to build one of the most innovative NGO sectors in the world.

As a result of these and other efforts, you seldom hear about the kind of sectarian violence and instability that continue to plague modern-day Pakistan. In fact, research shows that while Pakistan and Bangladesh continue to face enormous challenges in terms of poverty, economic growth and governance, Bangladesh has managed to outperform Pakistan in a number of key social indicators. Compared to Bangladesh, women in Pakistan have twice as many children, and under-five mortality is 30 percent higher.

“... if we have the right priorities and the right approach, American foreign assistance can alleviate global poverty and contribute to global stability.”



Now, comparing the progress of different societies and different cultures is not a clean science. Nonetheless, I think this broadly reminds us what works and what doesn't in foreign assistance. Meanwhile, our failed efforts in Pakistan – we've spent \$10 billion in Pakistan on aid over the last decade – driven largely by security concerns, demonstrate the need for reform. Our successful efforts in Bangladesh, driven by our desire to help the Bangladeshi people chart a course of their own development over the long term, demonstrate something altogether different: that if we have the right priorities and the right approach, American foreign assistance can alleviate global poverty and contribute to global stability.

At Oxfam we believe that there's a real yearning in America to do this kind of work, to engage this challenge – to play this constructive role on the world stage and to act on the positive values that we hold as a nation and as individuals. Last month [January 2010], as many of you are probably aware, despite a prolonged recession and historic unemployment here in the United States, American families donated something on the order of \$720 million to the relief and recovery effort in Haiti. At Oxfam our phones were buzzing off the hook, and we received a record number of contributions online.

Opinion research on support for foreign aid has consistently revealed that the American people believe that fighting global poverty is a national and moral imperative. And they consistently think that we give more than we do. So as a nation we want to give more aid, and we're comfortable with the idea of giving much more than we do.

But it isn't a question of spending more money; it's a question of getting better results from the money we spend – results that truly reflect the American public's genuine desire to help. For far too long we've settled for far too little return on our efforts. What I'd like to see is that we repair this disconnect between our values and our actions. And I believe we stand at a crucial moment for getting it right.

Since 9/11, our country has grappled with how to engage in the world. We've made some choices over the past 10 years that have left us less secure instead

of more secure, and have caused our international standing in the world to plummet, even among close allies. In nations like Indonesia and Turkey, U.S. approval ratings have plummeted from 75 percent before 9/11 to 15 percent today – that despite the enthusiasm for President Obama’s election.



Offenbeiser and IPJ Senior Program Officer Diana Kulow greet IPJ supporter Marta Reilly

Now, as the new administration tries to reframe American engagement with the world, we should make the most of the role effective aid can play in extending our hand, expressing our values, leading by example – reminding the world what our nation stands for, not what it stands against.

We have a chance to implement this new outlook right away in another desperately needy country: our hemispheric neighbor, Haiti. Imagine a Haiti where our development efforts begin with a genuine dialogue that empowers the Haitian people and those parts of the government with a demonstrated commitment to development to own their own renewal. Imagine a Haiti where instead of solutions imposed by a distant Washington development process, they are driven by the people that we aspire to help. Imagine a Haiti where we provide the country transparent and predictable information about our aid, facilitating greater accountability between the Haitian government and Haitian citizens, and between all Haitians and the U.S. government. Imagine a Haiti where our incredible resources work in concert to rescue Haitians not only from the ruins of the earthquake, but also from the unjust systems that have trapped them in poverty for decades.

As I said at the outset, poverty is about powerlessness. But I believe this is a powerful vision for Haiti’s future, for a new kind of U.S. aid and for America’s role in building a more peaceful world. And it won’t be easy. Many of Haiti’s institutions were weak before the quake and now they’ve literally been devastated. But we have an opportunity to start in this new direction with one of our closest neighbors – a historic opportunity to get it right.

Oxfam will continue to champion this vision in Washington and beyond. The political constellations are aligned but will require political will and citizen engagement to get the job done and get it done right.

So I hope that you will all find a way to join in this great endeavor. As you well know, the institute – and Catholic teaching at its core – understands that peace and justice are two sides of the same coin. And if we all were to realize

Joan Kroc's dream to not only talk about peace but to make peace, then we have to help make social justice a reality for the global poor as well.

So I look to you as humanitarians, scholars, students and citizens of deep compassion to help reconnect our foreign assistance to our greatest domestic ideals. Let's bridge the divide between our values and our actions, between our development inputs and outcomes, and make a difference in the world we share – for the poor and for ourselves. Thank you very much.

QUESTIONS AND ANSWERS

The audience submitted questions that were read by Deputy Director Dee Aker.

DA: Thank you. That was very impressive for those of us who are devoted like you are to making this kind of change in our world. You talked about the 3-D orientation – development, defense and diplomacy – and I'm wondering whether or not Oxfam has developed a relation that's less formalized than going to Washington? For example, do you have contact with the military in Haiti? There has to be a lot of logistical cooperation for the kind of work that you do on the ground. Have you formed a relationship with the military?

RO: Let me be very clear on the way we think about how these three Ds should operate and interact with one another. First of all, let me be very, very clear that my remarks tonight are in no way an indictment of the U.S. defense establishment or the military, per se. What we're talking about here is rebalancing the way these various components of our policy establishment interact with one another and how they might complement one another more effectively.

I think there's probably no better example of how this works than in these challenging humanitarian environments. The tsunami is one example where the U.S. military played a very important role in providing lift capacity to get supplies into Aceh, in Indonesia – into areas that were very, very hard to reach.

In Haiti, Oxfam has a very direct relationship with the U.S. military because one of the major places we are providing assistance is on a 9-acre golf course on the outskirts of downtown Port-au-Prince, which was basically the golf course of the Haitian elite. When the earthquake occurred and the walls fell down, the population around it whose houses had collapsed moved into this open space. And there are now 70,000 people living in tents on a 9-acre golf course.



It turns out that the U.S. ambassador's residence and the Canadian ambassador's residence are on either side of this golf course, and in order to secure the property the U.S. Embassy decided to work out an arrangement with the owners of the golf course to basically rent the property during the period of this humanitarian process and post 400 soldiers from the 82nd Airborne on the perimeter. And we are providing water and sanitation facilities to these 70,000 people, collaborating directly with the 82nd Airborne.

Their role has been to provide security when we've done food deliveries on site, in those early days when people were desperate for food and were just scrambling to get at whatever food was available. We organized a delivery program where we only delivered food to women, and the 82nd Airborne collaborated in helping to keep order as those food deliveries went forward. And that happened all over Port-au-Prince with both U.N. troops and U.S. military.

So in these situations, international humanitarian law provides clarity about what the role of military should be, and in case after case – the Indonesian tsunami being one and Haiti being another – there is collaboration in situations where we need security and lift capacity from the U.S. military. I would also say when you're out around the city of Port-au-Prince, you don't see the U.S. military running patrols. They are operating within a very narrow humanitarian mission and trying to provide security to enable the humanitarian process to be effectively executed. That's the role that they're playing and they're doing a very impressive job.

DA: Are there significant differences in U.S. aid policy to Latin America and Africa? If so, what are they and what has been the effect, given your experience and long history in Latin America and now your global perspective with Oxfam?

RO: Many aid agencies – not only U.S. government aid agencies but also European agencies – have moved, in effect, largely out of Latin America and into Africa and South Asia. We're in conversations with a number of our

European Oxfam colleagues and are seeing an accelerating trend of European donors who have been in Latin America for literally decades leaving for Africa and for South Asia.

I think the perspective is that many Latin American countries have become middle income countries with solid democratic systems, and that much of the need for the kind of aid that was historically provided is maybe no longer needed. The places where the aid is still being substantially provided in the hemisphere are Bolivia and Haiti, but otherwise there's a lot of withdrawal from the hemisphere and a lot of focus on Africa as the place where aid funding should be concentrated.

The other thing that's driving it is the concern about failing states, so many of the governments in Europe are thinking a lot more about what kind of presence they should have in a place like Somalia and some of the more fragile states around Africa. Should they really be ramping up their efforts to make a difference in those contexts? When they look at those contexts relative to Latin America, I think they think they need to prioritize African nations.

DA: When governmental leaders take USAID money for their own purposes, their own bank accounts, how can we turn over control of aid to countries, as you were suggesting?

RO: Corruption has been a real problem in the aid system for decades. And frankly, if we go back to the Cold War era, I think one of the great problems of how we did aid during that time was that we were in a bipolar world and trying to buy client states, competing with the Russians. We were oftentimes overlooking who it was we were actually supporting, in terms of some of their political practices and how they used the money and whether the money actually got to people.

Some of the really exciting things that have been happening over the last decade, which gives me a little bit of confidence that we can do this a bit differently, is the emergence of Transparency International and efforts to really

focus on the question of transparency in governance. There's a whole effort to focus on budget transparency with a lot of new NGOs in many developing countries that are actually tracking the budgets of their governments. These are things that are new, and what they're doing is enabling civil society and citizens' groups to hold their governments accountable for how funds are being expended in their national context. This is the kind of thing we've needed for a long time. At Oxfam we believe, in some sense, that effective development is about effective states, active citizens and inclusive markets – and that you need all three working together and interacting in a dynamic way. And we need to empower citizens to have the tools to hold their governments accountable in order to avoid the kind of corrupt practices we've seen in the past.

DA: One of our students would like you to share an example of how Oxfam is ensuring local capacity building, empowerment and investment in local business in their relief work in Haiti.



Offenbeiser assesses a camp in Haiti after the earthquake (Photo courtesy of Oxfam America)

RO: One of the big challenges in the Haiti reconstruction process once we get beyond the short-term relief is going to be rebuilding the Haitian economy. Right now some initial steps are happening where many aid organizations are providing cash for work, just to give people enough money to get by, buy food and meet basic needs.

Already there's a very vigorous conversation going on about what we are going to do beyond this short-term relief phase. And what are we going to do that would represent the kind of development vision that I was talking about in my remarks, and actually invigorate the Haitian economy? There are discussions about if it's possible, for example, to really change a pattern of disinvestment in the agriculture sector in Haiti and shift a lot more money into the agricultural sector and areas where Haiti might have some productive opportunities.

For example, Haiti actually produces quality coffee. They don't produce enough of it to be taken seriously by the coffee industry in the United States, but what if the sector were invested in as it was in Rwanda? After the terrible nightmare in Rwanda, Starbucks invested heavily in persuading the Rwandans that they actually had high quality coffee and needed to produce more of it, and Starbucks would help it find its way into the international market. Now there's a very dynamic coffee export business coming out of Rwanda and they're making a considerable amount of income on that. Could something like that happen with Haiti?

Before the earthquake occurred there was significant change in U.S. legislation with regard to trade with Haiti. Haiti obviously has the comparable advantage to being right offshore of the United States, and it had garment industries that were creating something like 25,000 to 30,000 jobs in greater Port-au-Prince.

But one of the problems was that the policies about the sourcing of the raw materials they were using to make the garments limited the ability of the Haitians to import into the United State. Under a new act called the HOPE⁸ Act II that Congress has passed, a lot of these restrictions have been dropped and

⁸ Hemispheric Opportunity through Partnership Encouragement

now there's an opportunity for Haiti to become much more active as a textile producer and exporter in the U.S. economy, which would really invigorate some of the urban sector.

There are a variety of other areas where we're thinking about how things can change – rice production in Haiti for example. Over the last 20 years, paradoxically, because we subsidize our rice producers here in the United States, we started dumping large amounts of subsidized rice into Haiti. We completely changed the diet of the Haitian people. As a consequence of that we undermined the agricultural sector, which precipitated mass migration to Port-au-Prince – that's why Port-au-Prince has 3.5 million people in it. And we completely killed the agricultural sector in Haiti.

So, one of the questions is: Are we going to continue dumping subsidized rice from our U.S. agricultural sector into Haiti and have that kind of devastating effect? It's again one of those examples of: Is this in our national interest, or are our trade policy and our aid policy at odds with one another?

These are some of the areas where we think organizations like Oxfam and other multilateral and bilateral donors need to be making investments to generate jobs and economic vitality in a new Haiti.

DA: Undoubtedly in Oxfam's efforts on the ground you've had the chance to work with multilateral aid efforts, but what about the U.N. agencies? Does the U.N. foreign assistance apparatus suffer the same weaknesses? Is it broken too, such as the description you were just giving?

RO: One of the things I'm most fond of saying about the United Nations is: If we didn't have it, we'd have to create it. There's a lot that U.N. systems do for all of us in terms of enabling dialogue and coordinating all sorts of activities on a global level that we've gotten used to living with and probably would have difficulty living without.

Speaking specifically about the kind of role that the United Nations might play in these large humanitarian responses, it's the U.N.'s role in these situations

to actually coordinate the overall response to any large-scale humanitarian emergency, be it the tsunami or the Haitian earthquake.

For organizations like Oxfam, one of the things we insisted on to the United Nations – and I participated in a number of meetings with Security Council members some years ago on this – was that the United Nations play a much, much stronger role in coordinating all of the agencies that are actually on the ground doing this work. In many of these contexts before that it was sort of mass chaos. U.N. agencies were competing with each other, and NGOs were competing with each other as well. We were creating as much chaos as there already was on the ground when our role really was to impose order.

Now there is an organization within the United Nations called the Office for the Coordination of Humanitarian Affairs. That was the body that was actually on the ground in Haiti at the airport coordinating all of the work that we do. Within that body there are a variety of clusters for the different work needed in any kind of humanitarian emergency – for food delivery, protection, shelter, water and sanitation. Those of us who do this sort of work basically look to that system to help us figure out what we're going to do and how we're going to do it. Then within that system, some of our NGO sister organizations are given specific roles to coordinate within those clusters.

In Haiti, this has been working. This is actually up and operating despite the fact that – and this is one thing that perhaps is overlooked – the United Nations had the largest loss of its personnel in the earthquake in Haiti of any place on earth in its history. It lost its senior leadership that was in a meeting when the building and their headquarters collapsed. They literally had to fly people in to replace the senior leadership in order to run this entire response. So you had a traumatized U.N. system trying to respond to what is acknowledged now as the largest humanitarian calamity in the recorded history of the Western Hemisphere, when you look at it on a per capita basis of the impact on the country and the population.

In the work that we do in the humanitarian sphere, we rely on the United

Nations and have, I think, seen significant improvements in the way it works. There are other areas where I could probably be critical, but I also think it's fair to say that the United Nations is actually leading this discussion on aid effectiveness that I've spoken about tonight, through a variety of international meetings that have been taking place.

To be totally honest with you, and I didn't say this in my remarks, most European nations have adopted most of the principles that I was espousing in my remarks. The United States has actually lagged; we're probably five to 10 years behind in the way we're responding. But the United Nations is leading that discussion on aid effectiveness, so I think on balance I'm a supporter of the United Nations, and a supporter of multilateralism more generally.

DA: Now that we've got the big picture of multilaterals and nation states, what role do you see the private sector playing in peace and prosperity worldwide? What kinds of small business solutions have you seen pull people out of poverty and avoid conflict?

RO: I think one of the big transitions that's taken place in the world we're in today has to do with the fact that we're living in an ever more globalized world, an ever more integrated world, a world where trade has become the lingua franca that's linking many nations together in more of a boundary-less globe.

One of the things we at Oxfam began to realize was that we had been born within a post-World War II, Cold War foreign aid framework and that we had oftentimes focused on the foreign aid question and the investments in foreign aid as where the action really was and the important areas of investment. But over time we've realized that foreign aid as a percent of overall foreign direct investment globally was less than 10 percent and declining.

We also realized that in the developing world today, foreign direct investment from the private sector is really shaping the opportunity horizons for the poor all over the world, and organizations like ours needed to be focusing much, much more on the private sector, both international corporations and the

emergent private sector in developing countries.

So we've created a unit within our organization to focus on this and have entered the whole area of corporate responsibility as part of the way we view development in the broad 21st century context. What we see though is that we've got to enter this world focused on which private sector areas make a difference to the poor, positively or negatively.

For example, extractive industries: All over Africa there are corporations seeking opportunities for oil, gas and mining. There's a big rush of Chinese companies into Africa now, and it's quite dramatic. Western companies that have been used to taking for granted their access to these geographies are suddenly saying, "Well, we've got to get in there and compete." So there's a bit of a resource rush in African nations today.

Part of that is precipitated by the fact that in much of the world the mining and oil and gas companies have perhaps exhausted the supplies and access to resources that were available decades in the past, and now they're realizing that the large, cheap, volume sources of many strategic minerals and other resources are available in Africa.

The problem is that very often wherever we've seen extractive industries we also see large volumes of money moving. We see corruption, we see lack of transparency and we see perhaps the undermining of democratic governance – and there we see conflict.

What we try to do is get in that field, work with the private sector, talk about these issues and talk about a new order of standards for how extractive industries might work in a more helpful way in a developing country context. There are other areas where we started working with the pharmaceutical industry on access to medicines, making them more affordable for the poor in developing countries.

I think the real challenge going forward is going to be: How do we work more in partnership on the development of the private sector in developing

countries in ways that are going to be inclusive of poor communities and not exclusive of them? I think we're still in the early stages of the kinds of programs we might implement in that area.

I'll just give you one quick example from Haiti of the kind of thing that might be involved in that. There is a company in Haiti that produces yogurt and cheese products, and Oxfam is working with this company to actually broaden the supply of milk and yogurt in the country to the population. It turns out that this particular company has a contract with the government to supply some milk products to the school system, so it has one fixed government contract that supports a portion of its business.

What we're trying to do is link more farmers in a broader geography in Haiti to that producer so that we actually build the dairy industry in Haiti. It's an interesting public-private partnership where it's about market access, the ability of a private company to actually benefit a larger poor population, and trying to share benefits across these kinds of boundaries.

DA: Is democracy necessary to sustain development and prolong peace?

RO: There's always someone who asks the meaning of life question. I think that's a complex question. It's interesting to look at China and think about the statistics I cited to you earlier about the numbers of people that have been pulled out of poverty in China. When Oxfam was thinking about becoming more of a rights-based organization, we were observing what happened during the Cold War if you think about it from a rights perspective. We took the human rights charter⁹ from the 1940s and saw that the United States chose to focus on the civil and political rights agenda and define that as what human rights were all about. But there is another part of the charter that focuses on social and economic rights, with the idea that there is a spectrum of rights that runs from civil and political through social and economic.

Much of the Cold War was about the fact that the West championed and

privileged civil and political rights, while the Soviet Union and China privileged economic and social rights. Now the Cold War is over and we've got this opportunity to put these things back together again in a meaningful way.

One thing for us as Americans to remember, paradoxically, is that Eleanor Roosevelt was the person who actually insisted on the inclusion of the economic and social rights provisions in the human rights charter. It's one of her great legacies, and ironically during the height of the Cold War we forgot that little bit of history. But now we have an opportunity to revisit it, and I think the challenge that we face in many developing countries, particularly in Africa, are the cases where a government is doing well in the social and economic rights sphere but is doing less well in the civil and political rights sphere. How do we manage ourselves in that space?

I think it's a more complex question than making a decision about being for or against democracy in these situations. It's about how rights are being realized in complex political environments, and is it a progressive process where we will achieve the right kind of balance over time.

In our case we want to believe these rights are indivisible, so we don't want to be in situations where civil and political rights are being completely abused. But we recognize that we might be able to support civil society organizations in putting pressure across the whole rights spectrum, and in the optimal case securing a democratic outcome.

DA: This is a really long question asking you to discuss William Easterly and Jeffrey Sachs,¹⁰ but that would be a whole other evening together, so that questioner will have to catch you afterward.

RO: I have an easy answer for that question: They're both right. In some ways, what Oxfam has come to believe is that there is a need for more aid than we're currently giving, which is what a lot of Jeffrey Sachs' argument is about. And there is a need for the building of infrastructure and better programs

⁹ Universal Declaration of Human Rights

¹⁰ Sachs is an American economist and author of the book *The End of Poverty*; Easterly is an economics professor and a strong critic of Sachs' ideas.

and systems that deliver health and education as public goods for societies. But that's not enough. We also believe in the kind of arguments that Easterly is making about the need for innovative programs and creative civil society. In some ways, again going back to this, the centerpiece of this for us is this triangulation of effective states, active citizens and inclusive markets and how these things come together in the middle. That's my easy out on that one.

DA: What is Oxfam doing in Pakistan, Afghanistan and Iraq? What is its challenge in understanding the cultures and religions?

RO: We've certainly been in those contexts as a humanitarian organization. I don't know if many of you are aware, but Iraq was very tough for the humanitarian community because almost all of the big humanitarian organizations had at least one staff member killed in Iraq. In our particular case, our program director there was met with gunmen at the office door, shot three times and flown to Amman to be hospitalized and was within inches of his life. We ultimately had to close down there, as did Save the Children. You may remember the dramatic kidnapping of the CARE director. Médecins Sans Frontières lost staff.

Through the course of the Iraq conflict, in the worst period, literally every major U.S. and international humanitarian agency had pulled out of Iraq, and humanitarian relief was largely being provided by contractors with heavy security provided by private security contractors, which made the delivery of humanitarian assistance extraordinarily expensive. So the Iraq case has been really quite a difficult case for our community.

One of the issues there, maybe specific to your peace, justice and conflict concerns, was precisely the issue of how do international humanitarian organizations, which operate in these contexts as impartial actors driven by the humanitarian imperative to serve endangered populations, retain our impartiality and neutrality in those contexts? Particularly when the mandate from the U.S. government at the time that we were operating was that we were force multipliers and that we were only allowed in the country in service to the U.S. mission of occupation. Those were the rules of engagement that

we were given – and that means that if you are on the other side in the Iraqi conflict, we don't look impartial. And that was one of the reasons it was such a dangerous situation for our community.

In Afghanistan we were actually operating during most of the Afghan war in the early 2000s, and we continue to be there, operating in a number of different provinces throughout the country doing longer term development work. Again there is this question of the space between the military and the humanitarian operators – how we maneuver in that space.

You may have heard the term PRTs [Provincial Reconstruction Teams], which are these military response teams that basically go out to the communities, and oftentimes they are military officers but they may not be in uniform. But they are carrying weapons, and sometimes they want to be accompanying NGO humanitarian workers to these sites. Again, it puts us in this compromised position. So there's this very animated debate that goes on in Washington about humanitarian space and how we can be present and operate.

Speaking to cultural and religious practices, in South Asia we've supported a lot of organizations, some of them from Bangladesh through very big NGO deliverers of services, to actually come into Pakistan because they're Islamic and South Asian and they know how to move in that context. They can go to geographies that might be delicate for us to move around in. And with these groups we've been able to do a lot of the work on the ground rather than actually being operational ourselves, because our sense was they had a better grip on the cultural context than the kind of staff we would send in from the West would necessarily have.

DA: We'll close with this one. What is the single concrete way that American citizens can help effect change, in policy particularly? What can we do?

RO: That was a great setup. Are you ready? Here's the action plan. I mentioned that there's a lot of momentum in Washington for reform, and I can be a little bit more concrete. Howard Berman succeeded Tom Lantos as chairman of the House Committee on Foreign Affairs. When Berman took that position, a few

others and I met with him and challenged him to embrace this idea.

This was during the primaries, prior to the major national election, and our argument was that this was a historic opportunity, that there was a real debate going on in Washington about smart power and the use of diplomacy and development to complement the more military approach that we'd taken in our foreign policy over the last 10 years. And he decided that he was going to make this one of his four or five priorities while chairman of the foreign affairs committee.

He has really embraced this and has already put a bill on the floor of the House of Representatives to initiate this reform process. And he put it forward, in some sense, to signal the Obama administration – and the State Department – that he was dead serious and wanted to take action on this. He wanted that bill to embody many of the concerns and principles that I spoke to in my remarks.

That triggered action in the Senate, initiated by Richard Lugar on the Republican side. I want to emphasize that this is not a partisan issue – it is a bipartisan concern, one of the few in Washington these days, where there's some shared interest on both sides of the aisle. Richard Lugar pressured John Kerry, who's the chairman of the foreign relations committee in the Senate, to introduce a bill on that side. So now we have a bill in the House and a bill in the Senate.

That then precipitated action in the State Department and the White House. The State Department has initiated something called the Quadrennial Diplomacy and Development Review, which is the first time the State Department has attempted to undertake a major strategic review of all of its policy and set a five-year frame for its work. This is done routinely in the Department of Defense under something called the Quadrennial Defense Review, and the State Department has now tried to embrace that concept.

That process is going on right now. That report is issuing interim recommendations in the next month or so, and that precipitated the White House to do something called a Presidential Study Directive, which is a document recommending to the president what actions should be taken to initiate this reform process. So that's what I mean when I say pigs are flying in Washington these days – because all of this going on, and all of it being aligned in terms of the core principles I talked about is really quite substantial.

So the process that we expect to see happen is the State Department will offer its interim recommendations. They will be incorporated into the Presidential Study Directive, which goes to the president's desk. Then we need a statement from the president that he wants to do, in effect, what President Kennedy did in 1961, which is make a major speech on development and development reform. And in the House and the Senate, their staff is waiting for the output from the White House and the State Department so that their bills that go forward incorporate all this new reform thinking.

Our hope is that we can actually get this done. We're now going to go into an election cycle, so things are going to slow down a bit. But the hope is that we will get the bills issued on the floor before we go into the election cycle, so that they'll be under review and up for a vote sometime later this year.

That's maybe more than you wanted to know, but I would suggest that you reach out to your congressperson. As I said, it's a bipartisan issue, so you can remind them of that and reach out on both sides of the aisle. In the Senate, Lugar, Corker, Menendez and Kerry are sponsoring the bill.¹¹ And I think there are about 20 signatories to the House bill, so there's a lot of initial support for this. So if you want to be helpful, call your congressperson and indicate that you're interested in this reform process in Washington and you want to support these bills.

¹¹ Richard Lugar (R-IN), Bob Corker (R-TN), Robert Menendez (D-NJ) and John Kerry (D-MA) introduced the *Foreign Assistance Revitalization and Accountability Act of 2009*, S.1524, in July 2009. The *Initiating Foreign Assistance Reform Act* (H.R. 2139) was introduced in April 2009.

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