

## Is our aid making us safer?

By Jim Kolbe

From the work of celebrities such as Bono to large charities such as the Gates Foundation, unprecedented global attention has been focused recently on reducing poverty in Africa.

While images of Africa are effective in raising awareness of the issue, little attention has been paid to the problems in our current efforts to alleviate poverty. It is increasingly apparent that our aid - and trade - policies are not really supporting economic growth in impoverished countries. Nor are they enhancing our own security.

And while some presidential candidates have spoken of how they would enhance U.S. civilian and military capacities to address global threats, economic development remains a bottom-tier issue in the campaign despite its potential to mitigate a whole range of threats and make us safer. After January 2009, we risk continuing the same old foreign policy strategies that are failing to deliver.

Having served as chairman of the Appropriations Subcommittee on Foreign Operations in the U.S. House of Representatives, I believe this risk is serious. In an interconnected world, global poverty and failed states are fertile ground for conflict, migration flows, pandemics and terrorist activities. While China, India and others are emerging from poverty, a swath of about 60 countries remain economically stagnant and are sources of insecurity. Yet our foreign economic policy tools are uncoordinated and in some cases run counter to our goal of alleviating poverty and spurring growth aboard.

The basic problem is that our development policy lacks coherence. With more than 20 different U.S. departments and agencies engaged in development work, at least 56 other bilateral donors and more than 230 international organizations, funds and programs, the aid field is indeed a crowded one. A growing number of new actors - vertical funds, foundations, corporate philanthropists and nongovernment organizations - add to the fragmentation, redundancy and waste.

Donors and developing countries alike are facing higher transaction costs, more red tape and pointed questions from their citizens about just what is being accomplished with this huge machinery of aid.

Trade policies often fail to achieve - and sometimes undermine - our development goals. In 2003, Sens. John McCain, an Arizona Republican, and Max Baucus, a Montana Democrat, introduced legislation that would extend duty-free status to non-oil products of many Muslim nations. The legislation has languished. The Pakistani textile industry, that country's largest employer, faces stiff U.S. tariffs, even though Pakistan is the epicenter of al-Qaida.

Despite preferential trade agreements such as the African Growth and Opportunity Act, oil still accounts for 90 percent of African exports under this program. In the end, such preferential trade arrangements are of little value if poor countries lack competitive enterprises and the infrastructure required to support their export trade.

Nurturing a vibrant private sector, promoting entrepreneurship and bolstering transport, water and energy infrastructure require bold thinking and new kinds of partnerships. Donor practices must be revamped to ensure they harness local capacities, not undermine them. The Marshall Plan, the cornerstone of the effort to rebuild Europe after World War II, was based on partnership, local ownership and the private sector. It was also complemented by U.S. trade and other policies to help reinflate European economies.

*continued*

**Is our aid making us safer?** *continued*

Replicating the Marshall Plan in Africa may not be the solution, given the dissimilar circumstances, and historical comparisons can be misleading. But the Marshall Plan does offer lessons on policy coherence, local ownership and private sector-driven development.

The United States and Europe are responsible for four out of five development assistance dollars. Though most Africans derive their income from agriculture, U.S. and European farm policies make this one of the most distorted sectors in the global trading system. A thoughtful exchange of views across the Atlantic is a must if we are to build a broader base of lessons learned and institutional best practices and to explore new, more effective models for development policy.

Some organizations, such as the ONE Campaign, are making progress on increasing public awareness about the need to address poverty and rethink our development policies. It may not be a high priority for most voters, but all presidential candidates - Democrat and Republican alike - would do well to think long and hard about how they would overhaul our foreign economic policies, given the failure to deliver results in the past.

*Jim Kolbe, a Republican former member of the U.S. House of Representatives, is a senior transatlantic fellow at the German Marshall Fund, a member of the advisory board for the ONE Campaign and serves on the Leadership Council of the Initiative for Global Development.*