



Development in the 21st Century

The prepared text of U.S. Secretary of State Hillary Rodham Clinton's speech, delivered to the Center for Global Development in Washington, D.C.

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I would like to start today with a story about America that often goes untold. It's the story of what can happen around the world when American know-how, American dollars, and American values are put to work to change people's lives.

Like many of you, I have seen the transformative power of development and the passion and commitment of aid workers who devote their careers to this difficult work. I have seen it in a village in Indonesia, where new mothers and their infants received nutritional and medical counseling through a family planning program supported by our government. In Nicaragua, where poor women started small businesses in their barrio with help from a U.S.-backed microfinance project. In the West Bank, where students are learning English today through a program that we sponsor. In South Africa, where our development assistance is helping bring anti-retrovirals to areas ravaged by HIV and AIDS.

I have also traveled across this country and heard farmers, factory workers, teachers, nurses, students, and hard-working mothers and fathers wonder why the United States is spending taxpayer dollars to improve the lives of people in the developing world when there is so much hardship here at home.

That's a fair question -- one that I'd like to address today: Why development in other countries matters to the American people and to our nation's security and prosperity.

The United States seeks a safer, more prosperous, more democratic, and more equitable world. We cannot be assured of that progress when one-third of humankind live in conditions that offer them little chance of building better lives for themselves or their children.

We cannot stop terrorism or defeat the ideologies of violent extremism when hundreds of millions of young people see a future with no jobs, no hope, and no way ever to catch up to the developed world.

We cannot build a stable global economy when hundreds of millions of workers and families find themselves on the wrong side of globalization, cut off from markets and out of reach of modern technologies.

We cannot rely on regional partners to help us stop conflicts and counter global criminal networks when those countries are struggling to stabilize and secure their own societies.

We cannot advance democracy and human rights when hunger and poverty threaten to undermine the good governance and rule of law needed to make rights real.

We cannot stop global pandemics until billions of people gain access to better health care, and we cannot address climate change or scarcer resources until billions gain access to greener energy and sustainable livelihoods.

Development was once the province of humanitarians, charities, and governments looking to gain allies in global struggles. Today it is a strategic, economic, and moral imperative -- as central to advancing American interests and solving global problems as diplomacy or defense.

Because development is indispensable, it demands a new approach. For too long, our work has been riven by conflict and controversy. Differences of opinion over where and how to pursue development have hardened into entrenched, almost theological, positions that hinder progress and hold us back. These stand-offs aren't fair to the experts who put their lives on the line doing their work. And they aren't fair to the American taxpayers who, by and large, want to do good in the world, so long as their money doesn't go to waste.

It's time for a new mindset for a new century. Time to retire old debates and replace dogmatic attitudes with clear reasoning and common sense. And time to elevate development as a central pillar of our foreign policy and to rebuild USAID into the world's premier development agency.

The challenges we face are numerous. So we must be selective and strategic about where and how we get involved. But whether it's to improve long-term security in places torn apart by conflict, like Afghanistan, or to further progress in countries that are on their way to becoming regional anchors of stability, like Tanzania, we pursue development for the same reasons: to improve lives, fight poverty, expand rights and opportunities, strengthen communities, and secure

democratic institutions and governance; and in doing so, advance global stability, improve our own security, and project our values and leadership in the world.

A new mindset means a new commitment to results. Development is a long-term endeavor; none of the changes we seek will happen overnight. To keep moving in the right direction, we must evaluate our progress and have the courage to rethink our strategies if we're falling short. We must not simply add up the dollars we spend or the number of programs we run, but measure the results -- the lasting changes that those dollars and programs have helped achieve. And we must share the proof of our progress with the public. The elementary school teacher in Detroit trying to send her kids to college and the firefighter in Houston working hard to support his family are funding our work. They deserve to know that when we spend their tax dollars, we're getting results.

We must also be honest that, in some situations, we will invest in places that are strategically critical but where we are not guaranteed success. In countries that are incubators of extremism, like Yemen, or are ravaged by poverty and natural disasters, like Haiti, the odds are long. But the cost of doing nothing is potentially far greater.

We must accept that our development model cannot be formulaic -- that what works in Pakistan may not work in Peru. So our approach must be case by case and country by country -- analyzing needs, assessing opportunities, and tailoring our investments and our partnerships in a way that maximizes the impact of our efforts and dollars.

Two important reviews of our nation's development policy are now underway: the inaugural Quadrennial Diplomacy and Development Review, led by officials from USAID and the State Department; and the Presidential Study Directive on U.S. Global Development Policy, which is led by the White House and includes representatives from the more than 15 agencies that contribute to our global development mission.

As these reviews are completed and recommendations are sent to the president, new ideas and approaches will be refined. In the meantime, I'd like to share a few of the ways in which we are already taking steps to make sure that development delivers lasting results for the American people and people worldwide.

First, we are adopting a model of development based, as President Obama has said, on partnership, not patronage.

In the past, we have sometimes dictated solutions from afar, often missing our mark on the ground. Our new approach is to work in partnership with the people in developing countries by investing in evidence-based strategies with clear goals that the countries have taken the lead in designing and implementing. This kind of rights-respecting development, built on consultation rather than decree, is more likely to engender the local leadership necessary to turn good ideas into lasting results.

True partnership is based on shared responsibility. We want partners who have demonstrated a commitment to development by practicing good governance, rooting out corruption, and making their own financial contributions to development programs. We expect our partners to practice sound economic policies, including levying taxes on those who can afford them, just as we do; or, in countries rich in natural resources, managing those resources sustainably and devoting some of the profits to development. The American taxpayer cannot pick up the tab for those who are able but unwilling to help themselves.

Some might say it is risky to share control with countries that haven't had much success developing on their own. But we know that many countries have the will to develop, but not the capacity. That's something we can help them build.

One approach is that of the Millennium Challenge Corporation, which focuses on countries that have met rigorous criteria, from upholding political rights and the rule of law to controlling inflation and investing in girls' education. Under MCC compacts, we provide funding and technical support; the country provides the plan and leads the way toward achieving it. Early indications of the program are promising. We're using our resources to help countries cultivate their ability to build their own future.

This approach points to the difference between aid and investment. Through aid, we supply what is needed to the people who need it -- be it sacks of rice, cartons of medicines, or millions of dollars to fill a budget shortfall. But through investment, we seek to break the cycle of dependence that aid can create by helping countries build their own institutions and their own capacity to deliver essential services. Aid chases need; investment chases opportunity.

This is not to say that the United States is abandoning aid. It is still a vital tool, especially as an emergency response. But through strategic investments in programs like the Millennium Challenge Corporation, we hope to one day put ourselves out of the aid business, because countries will no longer need this kind of help.

Our commitment to partnership extends not only to the countries where we work, but to other countries and organizations working there as well.

New countries are emerging as important contributors to global development, including China, Brazil, and India -- nations with the opportunity to play a key role, and with the responsibility to support sustainable solutions.

Long-time leaders like Japan, the United Kingdom, Canada, the Netherlands, Sweden, and Norway continue to reach billions through their long-standing work in dozens of countries.

Multilateral organizations like the World Bank, the IMF, the UN Development Program, and the Global Fund have the reach and resources to do what countries working alone cannot, along with valuable expertise in infrastructure, health, and finance initiatives.

Non-profits like the Gates Foundation, CARE, Oxfam International, and the Clinton Foundation bring their own resources, deep knowledge, extensive networks, and commitment to humanitarian missions that complement our work in critical ways.

And private businesses are able to reach large numbers of people in a way that's economically sustainable, because they bring to bear the power of markets. Companies like Starbucks, which has worked to create supply chains from coffee-growing communities in the developing world that promote better environmental practices and better prices for farmers; or Unilever/Hindustan, which has created soap and hygiene products that the very poor -- long-overlooked by business -- can afford.

Engaging in partnerships with countries and organizations like these will open up opportunities and increase our impact.

Second, we are working to integrate development more closely with defense and diplomacy in the field.

I know that the word "integration" sets off alarm bells. There is a concern that integrating development means diluting it or politicizing it -- giving up our long-term development goals to achieve short-term objectives or handing over more of the work of development to our diplomats or defense experts.

That is not what we will do.

What we will do is leverage the expertise of our diplomats and military on behalf of development, and vice versa. The three Ds must be mutually reinforcing.

The experience and technical knowledge that our development experts bring to their work are irreplaceable. Whether trained in agriculture, public health, education, or economics, our experts are the face, brains, heart, and soul of U.S. development worldwide. They take our ideas, dollars, and commitment and turn them into real and lasting change in people's lives.

Some of the most transformative figures in the history of development represent the convergence between development and diplomacy. People like Norman Borlaug, the father of the Green Revolution; Jim Grant, whose global immunization campaigns saved millions of children; and Wangari Maathai, whose Green Belt Movement has planted millions of trees in Kenya and trained thousands of women to be leaders in conservation. These development giants combined outstanding technical expertise with a passionate belief in the power of their ideas. They did whatever it took to convince at times reluctant leaders to join them, and as a result, helped build and lead national and regional movements for change.

Today, we have many such "development diplomats" working at USAID. They embody the integration between development and diplomacy that, when allowed to exist, can amplify both of these disciplines.

For example, development projects can be stalled or stymied by too little support from leaders -- particularly programs that target marginalized populations, like people with HIV, women, or refugees. In those cases, our diplomats can help make the difference. They have the access and leverage to convince government ministers to give these development programs their support.

Development also furthers a key goal of our diplomatic efforts: to advance democracy and human rights worldwide. I remember vividly my visit some years ago the village of Saam Njaay in Senegal, where a former Peace Corps volunteer, Molly Melching, set up a village-based NGO called Tostan. And through Tostan's projects, women in the village began speaking out about the health consequences and pain of female genital mutilation, an accepted practice there. This collective awakening led to a village-wide discussion and soon the village voted to end the practice. Men from Saam Njaay traveled to other villages to explain why FGM was bad for women and girls -- and by extension, their families and communities -- and other villages banned it too. A grassroots political movement grew and eventually the government passed a law banning the practice nationwide.

Sadly, enforcement has been harder to achieve because cultural norms are so entrenched. But the larger point is that the experience in this village demonstrates how development, democracy, and human rights can and must be mutually reinforcing. Democratic governance reinforces development, and development can help secure democratic gains. So those who truly care about making human rights a reality know that development is an integral part of that agenda.

Development is also critical to the success of our defense missions, particularly where poverty and failed governments contribute to instability. Consider the situation in Afghanistan. Many people ask whether any development programs can succeed there. The answer is yes. The World Bank, for example, supports a reconstruction and rural infrastructure initiative called the National Solidarity Program, which has made progress even in that challenging environment. Through the program, more than 18,000 Community Development Councils have been elected and more than 15,000 infrastructure projects have been completed.

Progress is difficult. But it is possible. That is why, as we prepare to send 30,000 new American troops, along with several thousand troops from our allies in NATO and the International Security Force, we are also tripling the number of civilians on the ground. They include agriculture experts who will help farmers develop new crops, so they don't have to grow opium poppies, and education experts who will help make schooling more accessible to girls so they can become pillars of their country's future progress.

The work of these development experts helps make future military action more remote. It is much cheaper to pay for development up front than to pay for war over the long run.

And in Afghanistan and elsewhere, U.S. troops are helping to provide the security that allows development to take root. In places torn apart by sectarianism or violent extremism, long-term development gains are far less likely.

In the past, coordination between the Three Ds has often fallen short, and everyone has borne the consequences. Secretary Gates, Administrator Shah, and I are united in our commitment to change that. The United States achieves the best results when we approach our foreign policy as an integrated whole, greater than the sum of its parts.

Third, we are working to improve the coordination of all the development work taking place across Washington.

In the 21st century, many government agencies have to think and act globally. The Treasury Department leads and coordinates our nation's engagement with the international financial system. The Justice Department fights transnational crime. The Department of Energy works with global partners to develop new energy sources. Disease control is a global challenge in an interconnected world; so is the quality of our air and waterways. But as a growing number of agencies broaden their scope internationally, even working on the same issue from different angles, coordination has lagged behind. The result is an array of programs that overlap or contradict.

This is a source of growing frustration and concern. But it's also an opportunity to create more forceful and effective programs. The challenge now facing USAID and the State Department is to work with all the other agencies to coordinate, lead, or support effective implementation of the administration's strategy.

Indeed, this is part of our core mission. Through our permanent worldwide presence, our strategic vision, and our charge to advance America's interests abroad, we can help align overseas development efforts with our strategic objectives and national interests. This will not be easy, but it will make our government's work more effective, efficient, and enduring.

And we are already emphasizing this kind of coordination with our food security initiative, which brings together the Department of Agriculture's expertise on farming, USAID's experience with extension services, the Millennium Challenge Corporation's know-how on road building, and the contributions of several other agencies.

We know that attracting investment and expanding trade are critical to development. So we are looking to coordinate the foreign assistance programs at USAID, MCC, and other agencies with the trade and investment initiatives of the U.S. Export-Import Bank and the Overseas Private Investment Corporation. And we seek to build on the success of regional models of coordination like the Africa Growth and Opportunity Act.

We also need to ask hard questions about who should be doing the work of development. For too long, we've relied on contractors for core contributions and diminished our own professional and institutional capacities. This must be fixed. Contractors are there to support us, not supplant us. USAID and the State Department must have the staff, the expertise, and the resources to design, implement, and evaluate our programs. This is why we are increasing the numbers of foreign service officers at USAID and the State Department. And the QDDR is developing a set of guidelines for how we work with and oversee contractors, to make sure we have the right people doing the right jobs under the right conditions.

Fourth, we are concentrating our work in what development experts call sectors and what I think of as areas of convergence.

In the past, we invested in many programs across many fields, spreading ourselves thin and reducing our impact. Going forward, we will target our investment and develop technical excellence in a few key areas, like health, agriculture, security, education, energy, and local governance. Rather than helping fewer people one project at a time, we can help countries activate broad, sustainable change.

To start, we are investing \$3.5 billion over the next three years in partner countries where agriculture represents more than 30 percent of GDP and more than 60 percent of jobs, and where up to 70 percent of a family's disposable income is spent on food. Farming in these places plays such a large role that a weak agricultural sector often means a weak country. Small family farmers stay poor, people go hungry, economies stagnate, and social unrest can ignite, as we have seen with the riots over food in more than 60 countries since 2007.

By offering technical support and making strategic investments across the entire food system -- from the seeds farmers plant to the markets where they sell their crops to the homes where people cook and store their food -- we can help countries create a ripple effect that extends beyond farming and strengthens the security and prosperity of whole regions.

We are applying the same approach in the field of health. One of our countries' most notable successes in development is PEPFAR, which has helped more than 2.4 million people with HIV receive life-saving anti-retroviral medications. Now PEPFAR will be the cornerstone of our new Global Health Initiative. We will invest \$63 billion over the next six years to help our partners improve their health systems and provide the care their people need, rather than rely on donors to keep a fraction of their population healthy while the rest go with hardly any care.

Fifth, we are increasing our nation's investment in innovation.

New technologies are allowing billions of people to leapfrog into the 21st century after missing out on 20th-century breakthroughs. Farmers armed with cell phones can learn the latest local market prices and know in advance when a drought or flood is on its way. Mobile banking allows people in remote corners of

the world to use their phones to access savings accounts or send remittances home to their families. Activists seeking to hold governments accountable for how they use resources and treat citizens use blogs and social networking sites to shine the spotlight of transparency on the scourges of corruption and repression.

There is no limit to the potential for technology to shrink obstacles to progress. And the United States has a proud tradition of producing game-changers in the struggles of the poor. The Green Revolution was driven by American agricultural scientists. American medical scientists have pioneered immunization techniques. American engineers have designed laptop computers that run on solar energy so new technologies don't bypass people living without power.

This innovation tradition is even more critical today. And we are pursuing several ways to advance discovery and make sure useful innovations reach the people who need them. We are expanding our direct funding of new research. We're exploring venture funds, credit guarantees, and other tools to encourage private companies to develop and market products and services that improve the lives of the poor. We are seeking more innovative ways to use our considerable buying power -- for example, through advance market commitments -- to help create markets for those products, so entrepreneurs can be sure that breakthroughs made on behalf of the poor successfully reach them.

Here again, there is potential for fruitful partnership between our government and the dozens of American universities, laboratories, private companies, and charitable foundations that chase and fund discovery.

With help from the State Department, U.S. tech companies are working with the Mexican government, telecom companies, and NGOs to reduce narco-violence, so citizens can easily and anonymously report gang activity in their neighborhoods. We've brought three tech delegations to Iraq, including a recent visit by Eric Schmidt, the CEO of Google, who announced that his company will launch an Iraqi government YouTube channel to promote transparency and good governance. And we're sending a team of experts to the Democratic Republic of Congo this spring to begin the process of bringing mobile banking technology to that country.

Of course, innovation is not only the invention of new technologies. It's any breakthrough idea that transforms lives and reshapes our thinking. Like Muhammad Yunus's belief that poor women armed with credit could become drivers of economic and social progress. Or the insight behind conditional cash transfer programs, which seamlessly and successfully integrate efforts to fight poverty and promote education and health. These innovations have traveled the world; New York City launched a conditional cash transfer program modeled after Mexico's; Muhammad Yunus's Grameen Bank has opened a branch in Queens. We must ensure that other extraordinary innovations are also discovered and disseminated.

Sixth, we are focusing more of our investments on those most responsible for growing the world's food, caring for the world's sick, and raising the world's children: women and girls.

And I want to commend the Center for Global Development for the ground-breaking work they are doing to advance girls' health, with their remarkable report titled "Start with a Girl." It's a comprehensive blueprint for action, and I look forward to working with them to carry it out.

Women and girls are one of the world's greatest untapped resources and a terrific return on investment. Studies have shown that when a woman receives even just one year of schooling, her children are less likely to die in infancy or suffer from illness or hunger -- and they're more likely to go to school themselves. And one reason that microfinance is ubiquitous around the world is because women have proven to be such a safe and reliable credit risk. The money they borrow is not only invested and re-invested, and turned into a profit, it is used to improve conditions for their families. And it is almost always repaid. I have seen for myself the transformative power of microlending in women's lives and their families and communities' lives from Bangladesh to Costa Rica to South Africa to Vietnam and dozens of countries in between.

You know the proverb, "Give a man a fish and he'll eat for a day, but teach a man to fish and he'll eat for a lifetime"? If you teach a woman to fish, the impact is even greater. It takes a woman to teach a village.

So today, the United States is taking steps to put women front and center in our development work. We are beginning to disaggregate by gender the data we collect on our programs, to measure how well our work is helping improve women's health, income, and access to education and food. We're starting to design programs with the needs of women in mind -- by hiring more women as extension workers to reach women farmers, or women health educators to improve our outreach to women and girls. And we are training more women in our partner countries to carry forward the work of development themselves -- for example, through our scholarships to women agricultural scientists in Kenya.

This is not only a strategic interest of the United States, it is an issue of personal importance to me, and one I have worked on for almost four decades. I will not accept words without deeds when it comes to women's progress. I will hold our agencies accountable for ensuring that our government and our foreign policy support the world's women and achieve lasting, meaningful results on these issues.

As we apply these six approaches, more will follow -- some new; some variations on the past; all reflecting our commitment to find, test, and embrace ideas that work and to learn from our work at every step of the way.

A half century ago, President Kennedy outlined a new vision for the role of development in promoting American values and advancing global security. He called for a new commitment and a new approach to match the realities of the post-war world. And his administration created the United States Agency for International Development to lead that effort and make the United States the world leader in development.

In the decades since, our nation's development efforts have helped eradicate smallpox and reduce polio and river blindness. We've helped save millions of lives through immunizations; put two million people with HIV on life-saving anti-retroviral medications; and made oral rehydration therapy available worldwide, greatly reducing infant deaths. We've helped educate millions of young people. We've provided significant support to countries that have flourished in a number of sectors, including economic growth, health, and good governance -- countries like South Korea, Thailand, Mozambique, Botswana, Rwanda, and Ghana. And we've supplied humanitarian aid to countries on every continent in the wake of hurricanes, earthquakes, famines, floods, tsunamis, and other disasters.

Americans can and do take pride in these achievements, which not only have helped humanity but also have helped our nation project our values and strengthen our leadership in the world.

And these efforts have not been the work of government alone -- which, most people don't realize, contributes only about one percent of our budget to foreign assistance. The balance is made up the generous spirit of Americans and is reflected across our nation's landscape, from farms to civic groups to churches to charities. Over the years, the American people have opened their hearts and wallets to causes ranging from eradicating polio in Latin America to Saving Darfur to helping poor people in Asia purchase livestock to investing in microenterprise on multiple continents. And the cumulative effect of all of this private giving is literally to double the amount our country spends on foreign assistance.

Today, we must call on that same American spirit of giving to meet the challenges of a new century. Not only giving materially but giving time and talent.

So those of you who care deeply about development... who care deeply about the future of our country and our world... help us enlist more Americans in this effort. Help us recruit technology experts, business leaders, farmers, teachers, doctors, lawyers.

And help us tap into the talents of the first global generation of Americans -- the young men and women graduating from our colleges and universities, the finest in the world. Encourage them to volunteer. To intern. To work not only for NGOs but to lend their energy and skill to the State Department and USAID. And I promise that with Raj's help, we will do more on our end to make sure that our doors are open to this emerging pool of thinkers and doers.

Development work is never easy. But it is essential to creating a world in which more people in more places have the opportunity to live up to their God-given potential -- a world that is more equitable, democratic, prosperous, and peaceful.

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