

A PILLAR'S PROGRESS: HOW DEVELOPMENT'S HISTORY SHAPES U.S. OPTIONS IN THE PRESENT

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SHAPES U.S. OPTIONS IN THE PRESENT

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Development is back. U.S. President Barack Obama has put it high on his strategic agenda. It is at the center of the State Department's much ballyhooed "Quadrennial Diplomacy and Development Review." These aspirations come with real backing—Obama's fiscal year 2010 budget promises to double foreign aid to nearly \$50 billion. Perhaps more importantly for supporters of development, across official Washington accord is growing that development must play a greater role not just in conflict zones but in general U.S. global strategy. It is not only the typical aid constituencies calling for greater attention. Even Secretary of Defense Robert Gates has urged a continuation of the emphasis on development that characterized policies of his last boss, former President George W. Bush. Almost assuredly, a pattern of bigger budgets, needed policy focus, and reform to the disjointed aid mechanisms within the U.S. government will emerge. Complementing (although not always supporting) this U.S. activity internationally is a collection of groups ranging from nongovernmental organizations (NGO)s to the United Nations (UN) and the World Bank. Overall, the place of aid U.S. foreign policy has not been so prominent or secure since the end of the Cold War. Development is once again, as Secretary of State Hillary Clinton characterizes it, "a core pillar of American power."

One sign that foreign aid has recaptured significance is the continuity of development's strategic importance from one administration to the next. While particular approaches may be different, Obama is continuing an emphasis on foreign aid to promote development that began in the George W. Bush years. Indeed, development was given a prominent place in Bush's controversial 2002 National Security Strategy. Development was to "drain the swamp" and remove the appeal of dangerous ideologies and movements that they can inspire while extending stability and the influence of the United States. Behind this is a more amorphous but equally important mission, to shore up the international credibility of the United States. These basic goals have not been altered.

As strategy should, a recommitment to development shapes the tools available to diplomats, aid workers, and soldiers on the ground. As the United States ramps up its involvement in Afghanistan (and Pakistan), development has again been yoked to counterinsurgency efforts. Echoes of the past are loudest here. Obama's new Special Representative for Afghanistan and

Cover Image: The Kajaki Dam in Helmand Province, Afghanistan, provides flood control, power and irrigation water to the Helmand Valley. Without the dam, the surrounding region would be arid and could not produce crops. Morrison-Knudson built the 90 meter high earth and rock fill embankment dam in 1953. When the Soviet Union invaded Afghanistan, the contractors left. They intended to raise the dam by 2 meters in order to increase the available water for power production and irrigation. They were also cutting in an emergency spillway, which was never completed. Gates were also never installed in the service spillway so the dam passes all water in the reservoir over 1033.5 meters. Corps' surveyors recently visited the dam to measure and assess the elevations of the service spillway and emergency spillway. Source U.S. Army.

Pakistan, Richard Holbrooke, has advocated an extensive program of rural development as a means to sell to the American public what is likely to be a long struggle to stabilize Afghanistan. He has declared that “the U.S. should consider basically what Roosevelt did with the farmers in America in the 1930s, the Rural Electrification Administration, a massive multi-billion dollar program, that involved seeds, water, fertilizer, roads, markets.”

Outside the U.S. government, there has been considerable ferment in the wider global aid community. There are, of course, efforts of rock stars like Bono and the “Live 8” benefit put together by political activist Bob Geldof. Behind the media savvy is a great deal of humanitarian effort, often with NGOs in the lead. A jubilee movement has worked hard to free developing countries of onerous debt obligations believed to hamstring their development. Its case has attracted particular attention of “rock-star” economist Jeffrey Sachs, who has promised an “end to poverty” if his vision is followed. Sachs is in line with others, who see a need for greater scale in development efforts to transform societies and pull them out of their “poverty traps.” However, the needs are diverse and require the coordination of efforts among institutions from all quarters of the global aid community. Sachs sees governments in revived roles working with international institutions, NGOs, and businesses to implement wide-ranging programs of development that embrace whole countries and regions. Dipping into the past, he plucked out a prime example of “successful regional development programs [that] help us understand how international development can succeed”—the Tennessee Valley Authority (TVA).

Even with all of this activity, advocates should be grimly aware that aid to promote development has long been a magnet for controversy. Ranks of critics are prepared to challenge its worth and accomplishments, but some larger, lingering concerns exist that should give its boosters pause. Even well-versed members of the global aid community harbor doubts about contemporary efforts to promote development. Perhaps the most vocal of these is former World Bank economist William Easterly who thinks that the larger goals for what international development “is doing, will do, can do, or should do” are at best, “muddled.” Easterly has become a relentless critic of what he considers to be the shortcomings of the international development community. With his vision that foreign aid should be more entrepreneurial and market-based, Easterly has particular venom for what he calls Sachs’ “big plan”—something he characterizes as a sort of Marxist charade, where a Leninist vanguard pushes history toward a Final Cause. But even Easterly’s criticism betrays how the past looms over debates in the present about development’s future. Echoes of older ideas and controversy are heard in the arguments of the present. “Planning” is slung as an epithet. Large projects and the role of

the state are viewed with skepticism. Like many others both liberal and conservative, Easterly's critiques are based in perspectives influenced by decades of arguing over the correct approach to global development.

Easterly and others do have one point. The means and ends of development are jumbled, even as it is taking on a vital role in U.S. strategy and international affairs generally. Development is a perpetually forward-looking concept seeking, at the very least, to provide positive change from what relationships and capacities exist in a society. Yet, the very suspicions that Easterly and others espouse are tied to development's controversial history in the twentieth century. It is this past that that shapes the opportunities and limits of development in global affairs today.

There was a time when there was greater consensus on what development was and was to accomplish. In the mid-twentieth century, at the apogee of the influence of development on the world stage and in U.S. foreign policy, many would have seen its means and ends as *modernization*.

Modernization was nearly synonymous with development in the twentieth century. It presupposed that industrialized, high-tech, and complex societies were the future for everyone. Those who had not yet achieved these ends could be guided to them.

This modernization was vast in its scope. The goal was often the transformation of entire countries, even regions. Any country embarking on such a program was promised deep changes to its economy as well as politics and even culture. The template offered was often the industrialized West, sometimes crudely seen to have provided the path "new states" emerging from colonial rule should retrace.

This approach to development accepted, even desired, large-scale programs to bring extensive change to both economy and society. In the case of the United States, many assumptions guiding international development were informed by domestic reform efforts. Numerous ideas about modernization took root in the crisis years surrounding World War II. The experience of the New Deal was especially influential. It provided examples of how state-led economic and social change could be successfully cultivated—hence the vogue of programs inspired by the TVA in postwar development. Advocates and policymakers accepted that the central state would play the leading role in any effort to promote economic growth and development. It would take the lead in guiding the planning; high technology

was assumed to be instrumental in any successful development effort. Nevertheless, the contributions of NGOs were vital. The U.S. government made a place for cooperation with missionaries, foundations, universities, and businesses in its overseas development work.

As the Cold War expanded and deepened, modernization found an important strategic role. The Soviet Union and later the People's Republic of China (PRC) had their own versions of modernization shaped by communist ideology. Although very different in important elements, these ambitions were also statist and had vast ambitions to carry countries and people to a particular version of modern life. What is more, they were popular with "Third World" countries seeking a quick road to development and suspicious of Western, liberal capitalist ideas bound to the moldering legacy of colonialism.

For the United States, its version of modernization offered a means to contain communist development and promote a stable, liberal world order. To implement this strategy, the U.S. government evolved a set of foreign aid bureaucracies. These always had their critics, but at the height of the Cold War in the 1950s and 1960s, a consensus existed on the necessity of aid across the policy community. This was reflected in the emphasis put on modernization, particularly in the John F. Kennedy and Lyndon B. Johnson administrations. In these years, the official development arm of the government, the U.S. Agency for International Development (USAID) was at the height of its influence. By the mid-1960s, its staff grew to over 18,000 personnel worldwide, and the annual aid budget expanded to over \$3 billion.

The modernization that USAID supported straddled the globe. As the United States made more and deeper commitments in the "Third World," modernization quickly grew connected to counterinsurgency efforts. Its emphasis on developing better roads, electrification, improved communication, or new agricultural techniques would offer peoples in conflict zones a better standard of living. This would breed modern outlooks, but more importantly turn these individuals toward the regime that the United States was attempting to buttress with such efforts.

In this guise, modernization went to war in many places, most prominently in Vietnam. In fact, that effort became a centerpiece for the U.S. development community. USAID's modernization efforts were a vital part of the counterinsurgency campaign in South Vietnam. The aid mission there grew relative to the U.S. military commitment. By 1967, USAID had to over 1,800 U.S. staff in Vietnam (when contractors, foreign nationals, and Vietnamese were counted, over 7,500 personnel were employed by the mission) with a budget of over \$495

million in 1967. USAID also drew on the expertise of dozens of U.S. NGOs and businesses that provided support with everything from logistics to village-level agricultural reform.

John H. Sullivan, who served with the mission, later recalled, “the best and brightest of USAID went to Vietnam.” One of these was Richard Holbrooke, then a young foreign service officer. The early part of his service in Vietnam was spent in the Mekong Delta as a provincial representative for USAID. Hundreds of Americans conducted similar programs, endeavoring to win the “hearts and minds” of the Vietnamese by delivering on promises of a better life. But conditions were not in their favor. The Saigon government that they struggled to support was corrupt and often incompetent. A fierce and determined enemy in the form of the Viet Cong and North Vietnamese made security a luxury, particularly in swaths of the countryside. Sullivan recalled the humbling conclusion reached by many of his compatriots that, “there was no way anyone could do development in that war zone.”

As it struggled with these realities, USAID’s reputation sagged. In official circles, a U.S. commitment to modernize a client state was seen to be one of the early steps leading down the road to quagmire. Added to that, modernization programs appeared to be failing to produce a successful counterinsurgency. As the war dragged on, Washington and the American public soured on foreign aid. In 1971, Senator J. William Fulbright declared the overall aid program a “shambles.” President Richard M. Nixon, facing a restive public, disenchanted allies, and a hostile Congress, retooled U.S. foreign policy. The “Nixon Doctrine” that emerged, drastically changed the course of aid to promote development with a “New Directions” policy.

“New Directions” was no belt tightening, but a profound change in the philosophy and organization of development aid. It reoriented USAID toward the basic human needs of people in developing countries. The unifying theme was the imperative of alleviating poverty. Instead of “impersonal measures of GNP growth” or “rising national income”—staple elements of national modernization plans—development in USAID’s vision was now conceived as “better food, more education, improved health, and more jobs for all people.” Instead of large programs, USAID would focus on smaller, discrete programs to foster development. It would rely on growing ranks of NGOs and businesses to initiate and implement many development programs. “New Directions” also drastically altered the capacities of the agency. Worldwide staff was slashed to just 8,489 personnel by 1975. The effects of these changes were fundamental to the operational limits of USAID in the decades that followed and why today the agency is considered to be less of a development institution and more of a contracting agency. The limits critics still see today in the central foreign aid institution in the U.S. government are a legacy of Vietnam.

Other important changes crowded the same historical moment. In the late 1960s, the “New Directions” in U.S. aid policy transformed the position of multilateral development institutions. Aid funds were consciously shifted from government aid programs to these bodies as a way of defusing the financial as well as political burdens of global development. As U.S. government aid levels declined, the World Bank was moved into the gap. Former Secretary of Defense Robert McNamara, a refugee from the Vietnam debacle, took the World Bank’s reins in 1968 and transformed its global role. Ideas behind some of the changes at USAID would eventually follow McNamara. McNamara gave the alleviation of “absolute poverty” a central place in the rhetoric and programs of the Bank. When a new World Bank headquarters was built, its new motto, “our dream is a world free of poverty,” reflecting new priorities brought to development in 1960s, was literally etched into the structure. Whether the Bank—and the international development community as a whole—has adopted the policies to best achieve this goal remains a heated question. Nevertheless, McNamara’s tenure fundamentally reshaped the philosophy and the capacity of the Bank. When he left in 1981, its annual lending had increased from \$800 million to over \$12 billion, converting it into a central player in the international development community.

The Vietnam War and the policy shifts that it had catalyzed had a powerful impact, but they need to be seen in context with a broader crisis that embraced modernization in the 1960s. Indeed, many of the ideas guiding “New Directions” emerged from an international discussion. Ample reasons existed, at home and abroad, to question modernization. As early as 1967, representatives of the World Bank and various developmental NGOs issued a lamentation that, “at present everything is going wrong.”

Modernization’s troubles were reflections of larger shifts in global affairs. The credibility of both superpowers and their ideologies was strained by the late 1960s. As the United States sank into the quagmire of Vietnam, the promises of communist models were further hollowed out by the Soviet crackdown on the “Prague Spring” and the excesses of PRC’s Cultural Revolution. Such events sapped the ideological intensity that had driven commitments to modernization just years before.

That waning urge was also part of a crisis of confidence in modern society. In the West, questions and critiques came from diverse directions, and impacts were felt in a host of areas. War, economic stagnation, the realities of racism, an atomized society, changing views of gender, political crisis, spiritual and religious ferment, and environmental despoliation chal-

lenged the faith in progress in which modernization was rooted. If modern capitalist society was struggling, the logical question was whether poorer countries should follow its example.

Paradoxically, the very importance of modernization in international politics was one reason its limits became apparent. Attention focused on the issue in the postwar period by institutions worldwide inspired a spectrum of research on its impacts. The 1960s were dotted by research exposing how benchmarks of modernization could have wide-ranging averse effects on the environment and degraded the people touched by them. The legion of negative effects such programs brought could no longer be ignored. Dams, one of the most popular projects in the postwar approach to large-scale development (45,000 large dams were built worldwide between 1930–1980), could do profound damage to the ecology of various waterways and the populations that surrounded them. Added to this was massive industrial and urban growth that strained environmental systems worldwide.

In this atmosphere, many came to question the efficacy of modernization. Concerns about population growth, which had long stalked the issue, burst into prominence as commentators fretted that it may limit or even undo development gains. Criticisms about the efficacy of the state's role in economic life found renewed life on political right. However, even supporters on the political left began to move away from long-held positions. With the limits of growth becoming apparent, liberals came to doubt whether the state was the best agent to lead social and economic change. Out on one limb of the same political pole, a school of “dependency theory” offered a thesis that the capitalist global economy actually promoted stagnation and poverty rather than prosperity. A renewed feminist movement faulted modernization thinking that regularly overlooked women as actors. Other frustrations lay in the fact the objects of the development process, the “new nations,” had not lived up to—admittedly high—expectations. By the late 1960s, numerous postcolonial states had taken on the trappings of autocracy and, perhaps more importantly, state-centered approaches to modernization across the developing world were not bearing the expected fruit.

As views changed, so did the policy and institutional relationships within the aid community. Revised views found their way into multilateral and international institutions. The UN system, reflecting an increasingly diverse international community, helped to revise development thinking. A rush of newly independent states profoundly altered the makeup of the General Assembly and the tone of the institution. A “Group of 77” claiming to speak the interests of the “Global South” pressed fresh voices into discussion that were often at odds with reigning assumptions in the West.

The political, social, and intellectual ferment of the period overturned prevailing ideas that had been found wanting. The move away from large-scale development toward a view that “small is beautiful.” A swirl of new ideas and approaches moved into discussion. They found an organizing idea in “sustainability.”

Sustainability was believed reconcile the diverse and sometimes divergent approaches focused on alleviating poverty. Focus on the “basic needs”—particularly food and healthcare—of people in poorer countries was a mantra. For example, the Ford Foundation conducted a major review of its development assistance program in 1972. Its first objective became “that people in the poorer countries should attain better material existences, and the greatest concern should be with the neediest.” Accompanying the growing emphasis on poverty reduction in the development community was the idea of using “appropriate technology” to meet these needs. Supporters abjured large programs in favor of projects that fit the immediate demands of poorer societies. This had real impacts on the types of projects that were undertaken. For example, by the 1970s, investments in health that had focused expenditures on large hospitals centered in urban areas turned to the “barefoot doctor” with an emphasis on local practitioners and village-level care.

By the 1970s, the consensus on modernization that had been cultivated and utilized by the United States over the preceding three decades had been shattered. Statist programs, planning, and the large-scale transformation that had characterized modernization’s heyday were now viewed with a jaundiced eye. In fact, even the term modernization fell out of fashion, because of its close associations with Cold War assumptions, ethnocentrism, and cultural imperialism. Development was increasingly spoken of as something separate and different, and “sustainable” became a virtual prefix as a means to differentiate it from earlier methods.

Through the 1970s and 1980s, the strategic importance of development waned. The end of the Cold War only accelerated that decline. The ideological imperatives that had driven a commitment to global modernization withered. Added to this, the assumption that the state should be a major player in any program of economic growth took repeated blows in the economic crises of the 1970s, the Latin American debt crisis of the 1980s, and the implosion of the Soviet Bloc that ended the Cold War. Suspicion of statism and economic planning only deepened. Even though some institutions and ideas from the postwar reign of modernization held on to key positions in international affairs, development, in general, remained fractured and lacked a clear rationale and goal to guide its implementation.

With the attacks of September 11, 2001, and the “War on Terror” that followed, development aid was shoved back into the spotlight. Many ideas and institutions that had lain dormant in international affairs, insinuated their return into U.S. strategy and the agenda of the international community. “Nation building” in Afghanistan and Iraq along with a hope that development would stifle the appeal of extremist ideologies and the movements that they stirred has returned development to a prominent place in U.S. grand strategy.

A selection of international crises at the start of the new millennium has again mobilized development for strategic ends. Implicitly or explicitly, in what is now a much more plural and international discussion, policymakers, intellectuals, advocates, and opponents grapple with the question of how development will be applied in an altered world situation. However, this excitement has not produced a new consensus. Modernization’s legacy is a series of institutions committed to development but also a set of critiques. Service in a struggle again defined as ideological has not removed the baggage development still carries from the twentieth century. This has framed the employment of development in the twenty-first century. Supporters, almost unconsciously, have drifted back to calls for programs similar to the large-scale efforts popular in a bygone era. History is complicit in the “muddle” greeting these ambitions. For all the calls to increase the scope of programs by integrating the efforts of NGOs, international organizations, and government, planning remains discredited, and the state is still viewed with suspicion, while various practices and institutions are magnets for criticism. The chorus of voices invested in the debate often advocate divergent approaches. A consensus on what constitutes just and effective development remains elusive and may be impossible to achieve.

The issue is not reviving the old approaches and relationships that supported modernization in U.S. foreign policy and the world community in the twentieth century. Rather, as many ideas and actors reappear and claim strategic importance in an uncertain present, advocates and detractors should be aware of development’s past. This is not only to grasp the utility and limits of programs and perspectives tried before, but also to understand how history underpins many views and perspectives that still shape opinions and debate today. As long as the relentlessly forward-looking concept of development has such strategic significance in foreign policy, one of the most difficult hurdles for its advocates may be reconciling its present mission with the living legacies of its past.

ABOUT THE AUTHOR

David Ekbladh is assistant professor of history at Tufts University. His first book, *The Great American Mission: Modernization and the Construction of an American World Order*, (Princeton University Press, 2010) looks at the place of development ideas in American foreign relations during the twentieth century. His current project, *Look at the World: The Rise of an American Globalism in the 1930s*, explores how a new understanding of international affairs emerged from a transnational discourse contending with the collapse of world order during the Depression years. This led a profound revision of American perceptions, politics, and institutions that remain foundations for our present understanding of the U.S. role in the world. Ekbladh holds a Ph.D. in history from Columbia University where he was a Pacific Basin Fellow at the East Asian Institute. Articles of his have appeared in *The Wilson Quarterly*, *World Affairs*, and *Diplomatic History*. Among other awards, he has been an Olin Postdoctoral Fellow with International Security Studies at Yale University and a Visiting Scholar at the American Academy of Arts and Sciences. He also worked for the Carnegie Corporation of New York on conflict prevention and international affairs issues.



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