



MS. BIRDSALL: We now want to open it up to questions and comments from those of you in the audience. We have with us today Barbara Turner, and she is the Assistant Administrator--thank you, Barbara--Assistant Administrator for Policy and Program Coordination at USAID. And I thought it would be good to give her the microphone first since she is someone who has been thinking a lot about these issues here in Washington. Barbara?

MS. TURNER: Thank you, Nancy.

MS. BIRDSALL: But others of you who would like to ask a question or otherwise make a comment, please feel free to come up to the microphone.

Barbara?

MS. TURNER: Thank you. Just to confirm Sebastian Mallaby's statement earlier, we at USAID are also working on our fragile states strategy. We have indeed been working in an interagency process to take a look at that, but one of the things that we've been doing for pretty much many hours this past year is working with our DFID colleagues to look at their experience, because they're obviously a fair amount ahead of us, particularly in looking at the interagency, the whole of government process, as they refer to it.

We've also had some--presented some of our draft thinking at the DAC with the donor group, and even just this weekend, we had a group of the ministers together. We were hosting all of the development ministers in the U.S. from the DAC countries, and this was--about two-thirds of the meeting was around this agenda of issues and how we do act together on this.

But one of the most complicated things that we find is, indeed, as Dr. Fukuyama put on the table, the security people and the development people operate from different perspectives. We haven't really worked very effectively together. We don't have the same terminology. The

words "long term" and "short term" mean entirely different time zones to those two groups of people. And so I'd be real interested in hearing Secretary Benn a little bit more about how you do work more closely with your defense and foreign affairs people in terms of getting them to think about countries that aren't really on their radar screen at the moment but are clearly sliding down toward conflict and how you get them to think about longer-term kinds of issues for creating a rule of law, which is not something that happens in a one-year timetable that those groups are often used to working in.

MS. BIRDSALL: Marina, do you want to--maybe we'll take two or three questions--would that be okay with you?--or comments before--if each person would please identify herself.

QUESTIONER: Marina Ottaway, Carnegie Endowment for International Peace. I have been reading all these reports and listening to these reports, and I find myself going to opposite directions; that on one side you say how can you say no, it's not a good idea to try to intervene early, to coordinate all the interventions and so on; and the other side, very frankly, says this is all pie in the sky, for two reasons. One is that we have seen this attempted coordination forever. I have been around for a while, and I can't remember a crisis where we did not hear, you know, this time we are going to do it right, we are going to coordinate the donor intervention, we are going to go seamlessly from post-conflict reconstruction into development, et cetera, et cetera. And we all know perfectly well that it never happens. And I think it's unlikely to happen, essentially.

The other issue that really concerns me is this idea of prevention. It seems to me that in many ways we need to rethink that idea because it seems to me that by the time we get to the point where we can diagnose a country as being particularly at risk, it's already too late to do prevention. In other words, by the time the early warning signs are there, I think the idea to think that we can start enough work in terms of bringing about development, in terms of strengthening institutions to really make a difference in the real time necessary to prevent a crisis, it may not--it's simply too late by that time.

So I'm wondering whether we should not think about effort to divide the approach into two parts; that is, there is work that needs to be done in all low-income countries, and that is the development work on an ongoing basis without worrying about, you know, diagnosing countries at risk. Essentially, we know which countries are at risk. And then to really focus the crisis intervention, essentially, much more narrowly on those issues where the crisis really is, which is

usually conflict, security issues, conflict resolution and so on, rather than to think that you can use the development tool as a way of conflict prevention once a country has been diagnosed.

MS. BIRDSALL: Thank you, Marina.

QUESTIONER: Peter Gantz, Refugees International. There's a lot of capacity issues with regards to peacekeeping. You could throw a dart and hit one of them. The one that's bothering me right now touches upon what Secretary Benn spoke of with the British intervention in Sierra Leone, the French intervention or French-led intervention in MONUC. But it contrasts with the UN statements recently with regards to what's going on in the DRC, which is that when there's no peace to keep, the peacekeepers can't do anything, and so MONUC is in the business of evacuating itself and other NGOs and international agencies and not protecting civilians, which is in the mandate, and it's a Chapter 7 mandate. So this debate seems to be continuing, and I'd be interested in what both Francis and Sebastian have with regards--comments with regards to this.

Are you going to engage--when you're talking about trying to provide security and moving from security to development, are you going to engage robustly and deal with spoilers to the peace forcefully, which includes what the British basically did, which was go in and say we're going to shoot the people that refuse to deal with us and respect the peace process, as opposed to what appears to still be, even post-Brahimi report, the UN's approach, which is, even with a Chapter 7 mandate, less robust?

MS. BIRDSALL: Do you want to start, Secretary Benn? And then we'll turn to others if they want.

SECRETARY BENN: Yes. I mean, first to say to Barbara, because you asked about how the relationship between the Foreign Office and the Ministry of Defense and DFID works. I meant what I said in my opening remarks about the existence of the pools and the bringing together of the ministers to sit around the table to look at a range of countries, to try and identify where we think we should be putting our time and effort. And that's created conversations that--I mean, I haven't been in government under the old system, so it is in a sense hard to make comparisons. But it's certainly a much more effective way of bringing people who've got, if you like, different interests but have all got different things to contribute to trying to deal with the problem.

And I must confess that it's changed what I would describe as my historic perception of the military because I have come to realize that in certain circumstances, you know, they've got things they really can contribute to getting us to first base to enable the rest of the things to happen.

MS. BIRDSALL: Let me interrupt, a little bit rudely, and just ask you to clarify for us the--let me put it this way: What is the ratio of the DFID budget outside the pool to the pool itself? How central to DFID's overall operations is it? And what is that ratio more or less with the other actors, the others at the table?

SECRETARY BENN: Well, that's a very difficult question. It's a very small part of our overall budget, as far as DFID is concerned. I won't attempt to give you an exact percentage unless any of my colleagues here can quickly calculate it and shout out from the audience. But, no, it's a small proportion.

MS. BIRDSALL: But it's the most flexible proportion in a sense, perhaps.

SECRETARY BENN: I wouldn't say that. No, I think DFID is perfectly capable of being flexible in the use of money. I think it's one of our strengths as a government organization.

MS. BIRDSALL: That's a big difference from USAID.

[Laughter.]

SECRETARY BENN: Okay, now I understand the purpose of the question, because we're not subjected to the same line-by-line micromanagement, pots of money for particular purposes and no other, that kind of set-up which different democracies have for dealing with development. So the ability to be flexible is certainly a huge advantage in those circumstances.

The truth about the pools is we're still learning. You know, they've only been in existence for three and a bit years or so, so it's still very, very early days. But coming--

MS. BIRDSALL: Maybe I could interrupt again.

SECRETARY BENN: Of course, you can. Interrupt as often as you like.

MS. BIRDSALL: What's the size of the pool?

SECRETARY BENN: Well, the Africa conflict pool this year is--or is it the global conflict pool? It's about 60 million. That's the global is 60, and Africa is about 20. So 60 and 20, so it's 80 million for the two. So what I'm talking about--pounds. Okay. That's 80 million pounds, not dollars. But it's money that wasn't shared together in the first instance, and it

certainly encouraged conversations and agreement on strategy across government that didn't happen in the same way before. And I make no greater claim for it than that, but I think it's certainly a better way of doing things.

Now, Marina, I think you've got a very fair point that you raise, actually, about prevention, because in doing our long-term development work, I suppose it's a bit hard to say, well, by doing this long-term work we actually prevented a state that, in the absence of that, might have got into difficulties and entered into the category of weak and failing states. And the truth is we need to do both of those things. But I suppose my argument is that we need to be more effective at focusing on the countries in crisis. And it really links between your point and the last one raised by--I'm sorry, I didn't catch the last gentleman's name--Peter. You raised the DRC.

I mean, I think it's a very fair point because we've got 10,000 troops in the MONUC force. Over time they have deployed gradually more to the east of the country, and yet in Kindu there's been rampaging up and down into Bukavu and out and is now somewhere else in the eastern part of the DRC for purposes that are still not entirely clear.

The Congolese themselves and others look and say, well, now, what is MONUC able to do in those circumstances? Now, I think they've found themselves in real difficulties in the situation in Bukavu, including to do with the size of the force that they were facing. But I think it's a very pertinent question that you do raise in those circumstances, and it is a Chapter 7 mandate. And one has to--one can compare it with what happened in Bouna last summer, when in truth the only reason that the international force went into Bouna at that point was because we started to see on our television screens what was happening in eastern Congo. And so having described it as the hidden first world war, certainly as far as the U.K. was concerned--I don't know about the States, but that's when people in Britain first became aware that there was a problem.

And I suppose on reflection one of the things I should have added to my opening remarks about things that will motivate states and international institutions to do things is when other people notice that things are going wrong. And, therefore, frankly, television cameras, reporters, people telling the world community what is taking place is actually, if we look back historically, a

very powerful motivator for the world community to then decide, well, actually, you know, we ought to do something about this.

MS. BIRDSALL: I'm going to interject and say a word about the prevention question that Marina raised, in part because it may help address indirectly some of the quandaries that Frank suggested exist in the development community.

I would say that there are two kinds of prevention that we discussed in the context of the commission report. One is something that we referred to as surge capacity, that the development and security communities together need the flexibility to respond quickly when an opportunity arises to prevent a problem when a state is on the brink. The example that--one of the examples we used is the case of the Bolivian head of state, Gonzalo Sanchez de Lozada, who came to Washington about a year and a half ago. He was having difficulties in Bolivia, in part related to the bad vibes about the coca eradication, in part related to IMF demands on the budget. A little bit of money might have helped. He is quoted--I've heard him say he went to President Bush and asked for \$150 million, hoping to get half of that. He said, "If I don't get it, I may be back within a year asking for asylum." And that happened.

So the problem was in part that the U.S. Government does not have the internal capacity to quickly find \$150 million. It seems a little peculiar but it's, in fact, true, in part because USAID has its hands tied behind its back with earmarks and so on.

There are other kinds of prevention that are the long term, but they're not just investing in institutions there, ensuring that institutions that exist are more likely to be sustained and in some cases created. And here the report refers to issues like opening markets, improving U.S. access--access to U.S. markets for countries with those opportunities might develop a more dynamic private sector.

The case of Pakistan, which, after September 11th, asked for relief or an increase in its quota for textile exports, and the U.S. didn't do it. That would be an example of seizing an opportunity.

So I think one of the points of the report is that we need to start thinking more broadly, at least in the U.S. context, about these issues of flexibility and seizing opportunities.

Let me turn to one or both of you to--did you have any comments on the points that were raised?

MR. MALLABY: On this surge capacity issue, this is partly why I kind of believe in the piggybacking model of responding to crises. It seems to me that given the political world as we have it, the idea that we're going to be able to persuade Congress, in the case of U.S. bilateral action, or the international community, in the case of some multilateral fund, of writing checks into some rainy-day fund in case a crisis comes of an unspecified nature, it would be nice if that would happen. But I'm not optimistic that, you know, people will do that.

What I think is easier, actually, is that if you've got big institutions which already have resources, both human and financial, and then a crisis comes--for example, Bosnia needs to be reconstructed--you go to the World Bank and say, look, you've got IDA, which exists anyway, and we need you to bring some money out of that, and you've got lots of people who know how to do engineering and so forth and manage the finances involved in reconstruction and can, you know, figure out the range of problems of reconstructing a central bank to building, you know, better city infrastructure, you know, that's where surge capacity is. It's in existing institutions.

I find that a more realistic model than--and just to respond exactly to your Bolivia point, surely an analogy would be that in the end of 1994, the U.S. faced the Mexico peso crisis, and Congress refused to back the idea of going and helping the Mexicans. And because there was political will in the Treasury at the time, they cooked up some scheme of taking money out of whatever that fund was called, and they went and bailed out Mexico. It took political will and creative accounting, not a rainy-day fund.

MS. BIRDSALL: Go ahead, Frank.

MR. FUKUYAMA: On Peter's point about the different approaches to peacekeeping, it does seem to me that there are two models: there's a light footprint and a heavy footprint model, and the UN, you know, almost always takes the light footprint where you only go in when there's an agreement, you're invited by the parties, and it's really not peace enforcement but simply ratifying an existing accord, which, of course, doesn't solve the underlying political problems in most cases. And that you saw very much in the Balkans that the initial, you know, European presence was really of that nature, and everybody understood that the basic problem was Milosevic and, unless you did something about that, you wouldn't get to the real solution.

The problem, I think, is that the heavy footprint model gets pretty heavy, and, you know, you have to worry about the political support that will exist for the kinds of military interventions

that will really bring about, you know, a serious and lasting political change in these circumstances.

I would say that it's, you know, something that requires a lot of political judgment on the part of the politicians responsible for authorizing these sorts of things because you don't want to get into a situation where you commit yourself to a more serious kind of intervention than you're prepared to follow through on.

MS. BIRDSALL: Todd?

QUESTIONER: Thank you. Todd Moss with the Center for Global Development. We talked a little bit about prevention versus coming in after everything has fallen apart. And I think there are some cases where it's very clear that things are falling apart. We have a very long time horizon to see that things are going badly, and that, in fact, the limited tools that the international community has, that the British or American governments or, say, the World Bank has seem not to be doing very much. The regional institutions, such as the AU, seem either unwilling or unable to do very much, and that we're kind of watching an accident happen in slow motion that we know is going to get worse, and we're kind of helpless. And is there any option for us other than letting these things really collapse and then have to go in?

I guess this is kind of an abstract and rather long way of saying: What is the kind of British strategy now for dealing with Zimbabwe?

[Laughter.]

QUESTIONER: Josh Stozeski, the Arlington Institute, future analyst and trends analysis, and also of Howard University, a Ph.D. student in African studies.

I need a clarification, if I could, from Mr. Benn regarding--sorry, Secretary Benn, regarding the Cote d'Ivoire and the Sierra Leone interventions. In one instance, we're talking about cooperation, and in another instance, we're talking about unilateral interventions of military. So I'm wondering if you mean the unilateral military interventions are examples of what you have in mind for cooperation.

And the other question I have regards the trends that you were talking about in terms of-- Secretary Benn also, in terms of the core values of the international community, particularly the upholding of the international community's core values regarding states or a movement away from those core values to a more integrated or universal value system.

Thank you.

QUESTIONER: Bridget Moix with the Friends Committee on National Legislation, and I'm trying to make what I think is more of a comment into a question, because I stood up because, following on the comments that were made about it's difficult to find money within the U.S. budget for a crisis in an immediate moment, I find that hard to reconcile with what has happened with Iraq because the Congress was able to find \$150 billion, now \$25 billion more, that wasn't in the budget originally for the military side, for what they might frame as the security side. And I'm very glad to see these conversations are becoming mainstream about security and development, but the imbalance still seems so enormous in terms of how much value and recognition is placed on the work of the development side of things and the prevention side of things. And I don't know how we deal with that, but what I see in Congress is a very easy willingness to support more on the security side and still a great lack of understanding about the importance and value of the development side.

MS. BIRDSALL: Let's go ahead with--do you mind? Secretary Benn, you got some--

SECRETARY BENN: Okay. Todd, first of all, I wouldn't--as far as the premise to your--the preface to your question was concerned, as far as the AU goes, I wouldn't say that the AU is not doing much. I think the AU really is trying to do something. Now, whether it has yet the capacity to carry that through is a debatable point. But establishment of the Peace and Security Protocol, getting all the member states to ratify it, the work that Said Djinnit is doing as the Peace and Security Commissioner, sending in the cease-fire monitors to Sudan, I wouldn't describe that as not doing much. I would say that's the AU in a fledgling way trying to develop capacity.

On Zimbabwe, the things that the U.K. or Europe has done in terms of the sanctions, just, you know, pointing out rather forcefully to the world that this is a country that's managed to move in the space of a generation from being more than able to feed itself to not being able to feed itself, so that last year the international community had to help pay for food aid for about six million Zimbabweans; but now the Zimbabwean Government has decided that they have enough food to last the next year. We don't agree with them. They cancelled the crop assessment so we couldn't actually tell whether it was or wasn't the case. This has been a spectacularly misgoverned country, and the people are suffering.

In the end, the political solution has to come from within Zimbabwe, and I think in the end the neighboring countries of Africa bear a particular responsibility to help hasten that change, which is the only way that life for ordinary Zimbabweans is going to get better.

Josh, in relation to Sierra Leone, which obviously the U.K. is responsible for because of our historic relationship with that country, in the end, given the circumstances that the government found itself in, we did what we did, and without having done so, we wouldn't be at the point where we are today where the UN forces in there, there is stability. But it's only the starting point for Sierra Leone because the problem of corruption remains one of the most difficult challenges in that country. And yet this is a country that does have some sources of natural wealth.

On the really important question you raised about states, I would simply reflect on this, and it's an analogy that I heard a colleague use, and I think it's a very good one. If you go back 40 years ago in Britain, and if the police had been called to a house where a man was beating up his wife, the police would have said, "Well, I'm really sorry. This is domestic. This is a private matter. We can't intervene." And they would have gone away.

Now, that doesn't happen anymore, and we've been through a social transformation in the U.K. in our approach to dealing with domestic violence. And the analogy is this: If you take, you know, the sovereign domestic space, being the sovereign nation state, you could argue that for quite a period of time international law and international agreement worked on the basis, well, what you did to your own people in your own borders may be very unfortunate, but that's down to you and it's not anybody else's business, the sovereign nation state; but if you spill over next door and start beating up your neighbors or causing a war, then the international community will come down on you rather heavily.

And it seems to me that for precisely the same reason that we no longer accept the sovereignty of the domestic space to allow men going on beating up their wives or their partners, the question, it seems to me, the international community is now having to grapple with is: Do we accept that analogy should work for sovereign states? Are we going to sit by while this goes on? If we aren't, what are we going to do about it? And crucially, and most difficult, on what basis are we going to decide when we come in and do something about it? And that actually is the issue that we are talking about.

Now, Bridget, I think you gave a very good example of the point that Sebastian rightly made, which is that in response to a crisis, it's a lot easier to get people to open their wallets and come up with the money than it is to hope that people are going to sneak it away for when a rainy day occurs. And that's just the way things happen. But you're right, in putting all of that resource into the military side of what's happened in Iraq, it's very important that we don't lose sight of the investment in reconstruction. And one of the consequences of the Madrid conference was that lots of nations, some of whom disagreed fundamentally with the military action in Iraq, came together and said, well, whatever we think, we're going to contribute to help the reconstruction process. But that, as we can see currently, is very dependent on how the political process proceeds. And if the politics can be got right, then actually in the long term Iraq has got natural resources, highly educated population, proud culture, history, and tradition, and it ought to get back to where it was before the 35 years of Saddam's regime.

MS. BIRDSALL: Sebastian?

MR. MALLABY: I'd like to make a point which I think is in the background of this whole discussion. You know, the oddity of what happened to the development community after 9/11, which is that, on the one hand, they got this enormous boost of interest and money and so on, but at the same time, this happened precisely at the time when the intellectual consensus was that we can help strongly performing poor countries, but we can't help the bad performers. And yet those are precisely the failed states which the securi-crats, who are now giving them all the money, wanted them to go fix.

So one of the things that happened right after 9/11 was that the World Bank said to Condi Rice in this episode I referred to before: We can really help you. We can go to Afghanistan's neighbors, and we can get into these weak states, and we can--you know, we will send missions, and we will think about helping your foreign policy in this newly strategic region.

Well, of course, the missions went out, and the professionals came back and said: Can't do any projects there because the environment is so corrupt, or whatever, and, you know, all the money would be wasted. That in a nutshell is the conundrum.

So what we have in this discussion in a way is, as this juggernaut of thinking about post-conflict gains momentum, the risk is that we forget this lesson that we learned about where aid works and where aid does not work. And we start to direct our resources at prevention in

conflict-prone states. That's my main worry, that we're going to divert all this extra development money in precisely the places where it will be wasted.

Now, I think, therefore, it is important to bear the following point in mind: There is a preventive value in giving money to non-failing states. The preventive value is that--take Zimbabwe. Supposing--we can't help Zimbabwe because the government there is so dysfunctional. If we help the neighbors--Mozambique, even South Africa, a relatively rich country--be stronger, those countries will, I think, contribute in a positive way to the stability of Zimbabwe. They will certainly be buttressed against facing kind of spillover problems from Zimbabwe. South Africa has a very large number of Zimbabwean migrant workers which it can ill afford to absorb given its own unemployment rate.

So I think, you know, one shouldn't lose sight of the fact that building up the kind of neighboring countries which then act as kind of, A) economic engines for a region; B) sources of diplomatic influence on the failed states, is probably better from--you're more likely to get a result by having Thabo Mbeki go talk to Mugabe than by having a Western leader, I should think, go talk to Mugabe; and ultimately military resources that the South Africas of this world can contribute to an African Union force which ultimately may provide a security mechanism in the region.

MS. BIRDSALL: Yes, Secretary Benn also mentioned in that context an area that I think has been acutely underfunded by the donor community, which is support for regionalism, not just for regional trade agreements but for NEPAD Initiative, the African Union. Latin America really is the only region which, in the context of having had an OAS for such a long time, has had some sort of a regional arrangement that got support initially from the advanced economies.

The other thing, Sebastian, that is worth thinking about, and all of us, is this point of preventing doing harm to countries, and that goes back to the Secretary's point about the small arms. One of the things that I think the U.S., maybe even more than other advanced economies, has been guilty of is in dealing with security problems in the short run, sometimes sowing the seeds later of development problems. And here the example of the small arms filtering over from Afghanistan into other parts of Central Asia, particularly Pakistan, may come back to haunt us. And that isn't to say that sometimes those interventions for security reasons won't be and seem

necessary, but it's to say the development community could benefit, we could all benefit from a larger voice in how to minimize the risks that those kinds of interventions imply.

Go ahead. Sorry.

QUESTIONER: Thank you very much. Margaret Kulo from the U.S. Treasury. Mr. Secretary, you spoke a little bit about the importance of donor coordination and the importance of donors sending consistent messages. And you spoke a little bit about your own fund pooling as a way of coordinating internally.

Could you take the next step and talk about whether or not this has been an effective tool for coordinating in a policy sense? In other words, do you really see any conflict between strategic interests and development interests? And have you had to reorganize, or how are you able to address that? Or do you think that there isn't really a conflict?

Thank you.

QUESTIONER: Hi, Philippe de Pontet from Intellibridge Corporation. As we know, many of the weak states we're talking about are African nations, and my question, I guess, is directed to Mr. Mallaby, who's written very eloquently on the importance of market access to the U.S. for African exporters, specifically the AGOA legislation, which is pending whether or not it's going to be extended or not. My question to you is: Are you hopeful that that will happen?

Thank you.

MS. BIRDSALL: Will it be a missed opportunity? Secretary Benn.

SECRETARY BENN: Well, I'm still reflecting on the first question I was asked, if Sebastian wants to--

MR. MALLABY: Quickly, on AGOA, what's happened on that legislation is that there has--this is a piece of legislation which gives Africa preferential access to the U.S. market, and it particularly affects textile exporters in Africa. And it was originally passed in 2000. It's been a tremendous success in terms of creating jobs in Africa and attracting private investment. And a key provision of this legislation expires in September, and, therefore, already orders to African textile makers are being cancelled, because by the time the orders would be completed and the goods were to come into the United States, we would be past September and they would be liable to pay import duties.

This is a program for Africa that works. It doesn't cost the U.S. taxpayer pretty much anything. It seems like a no-brainer that you would want to extend it. And sure enough, that is what the House of Representatives did on a voice vote, i.e., unopposed, I mean, it just sailed through with no problems. It's not a red issue, it's not a blue issue. It's a red, white, and blue issue.

Now, in the Senate, because of the extraordinary dysfunction of that chamber, it's stuck. It's unbelievable. If you ask why it's stuck, the answer is unrelated issues and objections. In other words, if we put this bill on the floor, some other Senator is going to come along and attach something about, you know, bullfrog subsidies in Arkansas, or whatever it is, some unrelated thing. And there will be this huge feeding frenzy, and this thing will just never make it through. That's why it doesn't look as though--it doesn't look terribly optimistic that we will get an extension of this trade legislation.

MS. BIRDSALL: Let me take this chance--while Secretary Benn keeps thinking about that other question about the internal workings of DFID, sometimes the toughest questions--to mention a book that the Center has just published by our senior fellow, Bill Cline, on trade and global property. He proposes in that book a two-track approach in the Doha Round. One of the tracks is controversial. He essentially breaks the taboo--I think of it this way--of mainstream economists against trade preferences or mainstream trade economists who have repeatedly and historically emphasized the logic of the multilateral trade round. He breaks that taboo in part because his analysis suggests, among other things, that preferential trade agreements, at least for the poorest countries--like Sub-Saharan Africa, the HIPC countries, and the least developed countries--are unusually poverty--anti-poverty-intensive. So I invite you to go to the book and learn why.

Okay. Secretary Benn.

SECRETARY BENN: I mean, is there sometimes a conflict between what you described, Margaret, as the strategic interest and the developmental? Well, yes, sometimes there is within government. I mean, it's no great secret if one says that that is the case.

One of the ways in which we have tried to protect our focus of development spending, within the context of this broader work that I've been talking about this afternoon, is that DFID has what in the British jargon is a public service agreement, which is a target that we work to with

the Treasury, jointly with the Treasury, that by 2005-06, 90 percent of our bilateral aid spending will go on the poorest countries of the world. And that will be different compared to what the situation was in 1997 where there was a kind of two-thirds/one-third split.

Now, why have we done that? Because if you look at overall aid flows over the last decade and a bit, notwithstanding the slight upturn there has been in the last two or three years, the total amount of aid in the international system has gone down, and the share of it going to the poorest countries in the world has also gone down. So when the current government was elected in '97 and created DFID as a kind of joined-up, integrated development ministry, including dealing with humanitarian assistance and crises of that sort, we set ourselves that very clear objective.

So there will be tensions sometimes because there will be stuff in middle-income countries that the Foreign Office is very keen on doing work on, and we find ways of dealing with that, but we remain committed to this 90 percent bilateral assistance going on the poorest countries of the world, because from a development point of view, that's where we think we can make the biggest difference. Part of the job of government is to try and resolve these conflicts and occasional differences of view.

QUESTIONER: I have a number of questions, but I will just ask--oh, I'm sorry. Herchelle Challenor, AAAS fellow, USAID. I have a number of questions, but I will just ask one triggered by the comment or the question on Zimbabwe, because there is a looming issue in Namibia and South Africa as it relates to land. And I think that it's very clear what the justice dimension of the issue is, but how do European countries deal with justice in Africa when you have kith and kin issues involved?

QUESTIONER: Anne Phillips, USAID. I have a comment and a question.

I thought, Mr. Mallaby, after you had told about how World Bank President Wolfensohn had convinced Condoleezza Rice that development and security were important you were going to continue and say after that, Secretary of Treasury O'Neill and Bono visited Africa. But I don't know if there's any linkage there.

I have a question for Frank Fukuyama. Frank, you made probably the most sort of blanket statement saying that we don't know how to promote development. And so if this is true, then all the resources, additional personnel, and so on really won't make a difference.

In your book, however, you try to separate out things that are transferable and things that are not so transferable. And I would like you to elaborate on that.

Thank you.

QUESTIONER: I am a political scientist based in Africa, and I think I will speak on behalf of my profession to say what a relief it is that politics is at least taking its rightful place in understanding the problems in particular of Africa.

I was very struck by Secretary Benn's comment on asking us to put ourselves in the shoes of someone in a remote part of Africa faced with the collapse of governance and the complete misery which this brought upon that person's head.

I'd also like to refer to Sebastian's very interesting point about the mobilization of indigenous political will which saw Uganda quite remarkably turn the corner.

Now, it seems to me that there is a point here where we can do something, that it is to do with the legitimate political expectations of citizens in Africa. Elites which don't have that countervailing pressure find it very easy to mal-administer their countries. What we really need to do, it seems to me, is to find ways of mobilizing that political will, of seeking to educate people as to what their legitimate expectations of governance are. And I think that the APRM can carry along on one track, but surely there's room for the independent citizen-based approach to promoting good governance in Africa.

I'd be interested in comments.

MS. BIRDSALL: Now what I'd like to do is give everyone up here a chance for some closing remarks, answering those questions, if you'd like, and making any other comments you'd like to make. Maybe we could just start with Sebastian and then Frank and then the Secretary.

MR. MALLABY: I'll just pick up on the last questioner. I agree that political science was a bit excluded in the development paradigm of the '80s when it was basically macroeconomics. That was a mistake, and it's good that it's broadened out to include governance.

I think, though, that there's a danger sometimes that the thing runs beyond--you know, you sort of overshoot in the adjustment of the paradigm; and that, in particular, although I think that sort of consultation and definitely ownership, ownership of development by developing countries, the idea that the political will has to be generated by Ugandan leadership, it can't be kind of injected by a donor through a needle from abroad, I think that's certainly true. But what I am less

persuaded of is whether, you know, you have to have complicated participatory mechanisms. I think that those sometimes--I think it's sort of--it's case-by-case there. You can jam up systems, lead to gridlock, not actually make progress.

What's striking about Uganda is in a way that, you know, Museveni made most of his great progress before he submitted himself to any kind of election. And he did it on stuff where essentially a technocratic decision was made and it was rammed down the throat of the rest of his cabinet, I think, by his sort of financial technocrats. That was my reading of that particular episode.

MS. BIRDSALL: I hope your book gets out before Museveni decides he needs to run again and win again.

Frank?

MR. FUKUYAMA: Well, I do think in general that it's important to try to understand what it is we do know, you know, how to transfer and build and so forth. And as I said, this is a gross, you know, overgeneralization, but I do think that we do know the reconstruction and humanitarian assistance sides of that. But, you know, Sebastian alluded to it. There really is this massive record, especially with the poorest countries that Secretary Benn referred to, precisely with that group of countries, where, you know, the record just doesn't seem to show that you get much of a proportionate investment out of what you put into it. Something like 10 percent of Sub-Saharan Africa's GDP outside of South Africa comes from the donor community, and it's a region that's been going backwards pretty steadily by most development indicators for some time.

So I do think that there are, you know, specific institutions that are more transferable than others. We do actually know something about, you know, building central banks and financial systems, and we can certainly do all the things that Nancy talked about. But whether you can actually put that together in a package that achieves measurable results in terms of what we all want in really raising these countries up I think is problematic.

That gets to the point--I just want to say one brief thing about the person that raised the issue of why we spend money on the military versus development. I don't want to--I'm not making a brief for American stinginess with development assistance, but I do think that in some measure, in Congress and on the part of the American people, it is related precisely to this idea of do we actually get something in return for what we invest. The Marshall Plan, you know, worked

very well, and I think if people had the sense that, you know, Congress appropriates \$6, \$7 billion to do something really specific and it works as well as the Marshall Plan did, I think you could get the political will to do that. But I think most people just have the idea that, you know, in most of the proposals that come up for this kind of assistance, that money is just going to go down a rathole; whereas, if they spend it on their military, they're actually going to get C-17s and, you know, you're going to win wars and do things that have clear results.

SECRETARY BENN: Right.

[Laughter.]

SECRETARY BENN: I was just going to answer Herchelle's question, which was about justice when there are issues of kith and kin. Clearly that does affect the context in which, in the case of Zimbabwe, what's going on is perceived domestically and the level of interest that there is. But, of course, there's justice in a number of respects. There's justice as far as access to the land is concerned. There's justice in the rule of law, so you might be able to demonstrate in support of your particular political view without being based over the head by somebody wielding a baton, and that you might be able to write in the newspaper and not find that you're being closed down allegedly for infringing regulatory laws to do with the registration of newspapers, when you know, in fact, you're being closed down because of what it is that you say. So there's lots of different kinds of justice, but there's undoubtedly a great deal of interest in Zimbabwe because of those historic connections.

Secondly, just to say on this theme that has run throughout the conversation this afternoon, which I must say I've enormously enjoyed and learned a lot from, does development assistance work? I think it's important that we don't end up being too gloomy because, despite all the difficulties, we have seen some progress in the last couple of generations. You know, average life expectancy in developing countries has increased by 18 years since the mid-1960s, when a very redoubtable British politician by the name of Barbara Castle did the job that I now do. We are very close to eradicating polio. There are more--the percentage of adults who can read and write has actually increased.

So some things have progressed despite the scale of the problems that we face. Really what we've been discussing today is how can we ensure that people have the right, if not the privilege, of living in states that function, that work, that do the things that we look to states to do,

which is to look after us when we're sick, to educate our children, to provide opportunities for economic development, to earn a living, hopefully to have a better life than the one that our forbears enjoyed, and build--including the right to kick out the government if we don't like them, all the sort of characteristics of a functioning state that we in the countries that we live in take for granted.

This is a really, really difficult task, and nobody said it was going to be easy. But I welcome very much the opportunity that we've had this afternoon to try and grapple with some of these difficult questions. Because while I don't know all the answers and we don't know all the answers, of one thing I am absolutely convinced: The things that we've been talking about here this afternoon are absolutely central not just to the future safety and security of the world but to the future chances of a decent life for billions of our fellow human citizens. And that's why it's a conversation that it's really important we should carry on having.

Thank you very much for having given me the chance to join that conversation with you this afternoon. I've really enjoyed it.

MS. BIRDSALL: Thank you. The thanks go to you, Secretary Benn, and, of course, to our discussants. But I'm delighted that you ended on that note. I think your speech was wonderfully infused with the point that it is in the end about people. So following this very thoughtful discussion, thank you to all of you as well.

[Applause.]

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