
CUTTING HUNGER AND POVERTY IN HALF: INTEREST GROUPS AND A RENEWED U.S. COMMITMENT IN THE POST COLD-WAR WORLD

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BACKGROUND: U.S. leadership can cut worldwide poverty and hunger in half, but only with an effective coalition to expand foreign aid. The U.S. government is committed to cut hunger and poverty in half by the year 2015. Fulfilling this commitment requires a serious coalition-building and leadership effort to mobilize U.S. expertise and government resources.

OBJECTIVES AND METHODS: Research on foreign aid was conducted for a twofold objective related to U.S. foreign policy and domestic constituency support:

1. To reexamine the security, economic, and humanitarian rationale for foreign aid to reduce poverty and hunger; and
2. To identify avenues for more effective coalition building for such efforts.

Key research methods included an extensive literature review, review of budget trends of various development agencies and groups, and informal interviews with 40 representatives of interest groups and development agencies.*

MAJOR FINDINGS:

1. Persistent poverty and hunger threaten U.S. national security and economic interests and are unacceptable to U.S. humanitarian values. Poverty and hunger cause conflict and instability in poor developing countries; this is increasingly so since the end of the Cold War. Such instability threatens the U.S. through possible expansion of conflict into countries where we have vital interests, through spawning disaffected groups that may attack the U.S. directly, and through constant pressure to deploy U.S. forces in humanitarian missions that weaken overall U.S. defense readiness. Poverty and hunger also hinder U.S. interests in expanding export markets and in creating a world trade environment in which U.S. technologies and services can be freely exported without fear of trade backlash.

2. U.S. expertise and resources are needed to cut poverty and hunger in half. World trade and economic expansion are crucial – but are not by themselves sufficient – to cut poverty and hunger in half. At relatively fast rates of

trade expansion and economic growth, and with expanded use of new information technology and biotechnologies, hunger and poverty are nevertheless projected to remain near their current levels a generation from now. The expertise and resources of the U.S. are needed to address these problems. In addition, what the U.S. does affects the actions of other donors and poor countries in their own commitments to reduce poverty and hunger.

3. But, U.S. budget resources to address poverty and hunger since the end of the Cold War have declined substantially.

Overall development aid by all donors has fallen over the past decade. U.S. foreign aid has fallen significantly. Some outside groups and Congressional allies have tried to ensure increased funds for certain programs targeted largely on poor people, such as child survival and microenterprise programs.

However, constructing a USAID "poverty and hunger budget" shows that – despite these increases – overall USAID and partner budgets in direct support of reducing poverty and hunger have fallen during this period (see Figure 1 and note that adjusting actual figures for inflation would show an overall decline of one third in USAID support to addressing poverty and hunger.)

This is largely due to the fall in support for agriculture (a key source of poor peoples' income), and education (the key source of their productivity.) Both of these categories of funding have been cut by two thirds since the mid-1980s. In addition, other programs which are acknowledged to be critical to long term poverty reduction but are more indirect (such as institution building and facilitating economic policies and infrastructure) have fallen.

4. There is a nascent turnaround in the decline of foreign assistance to combat poverty and hunger.

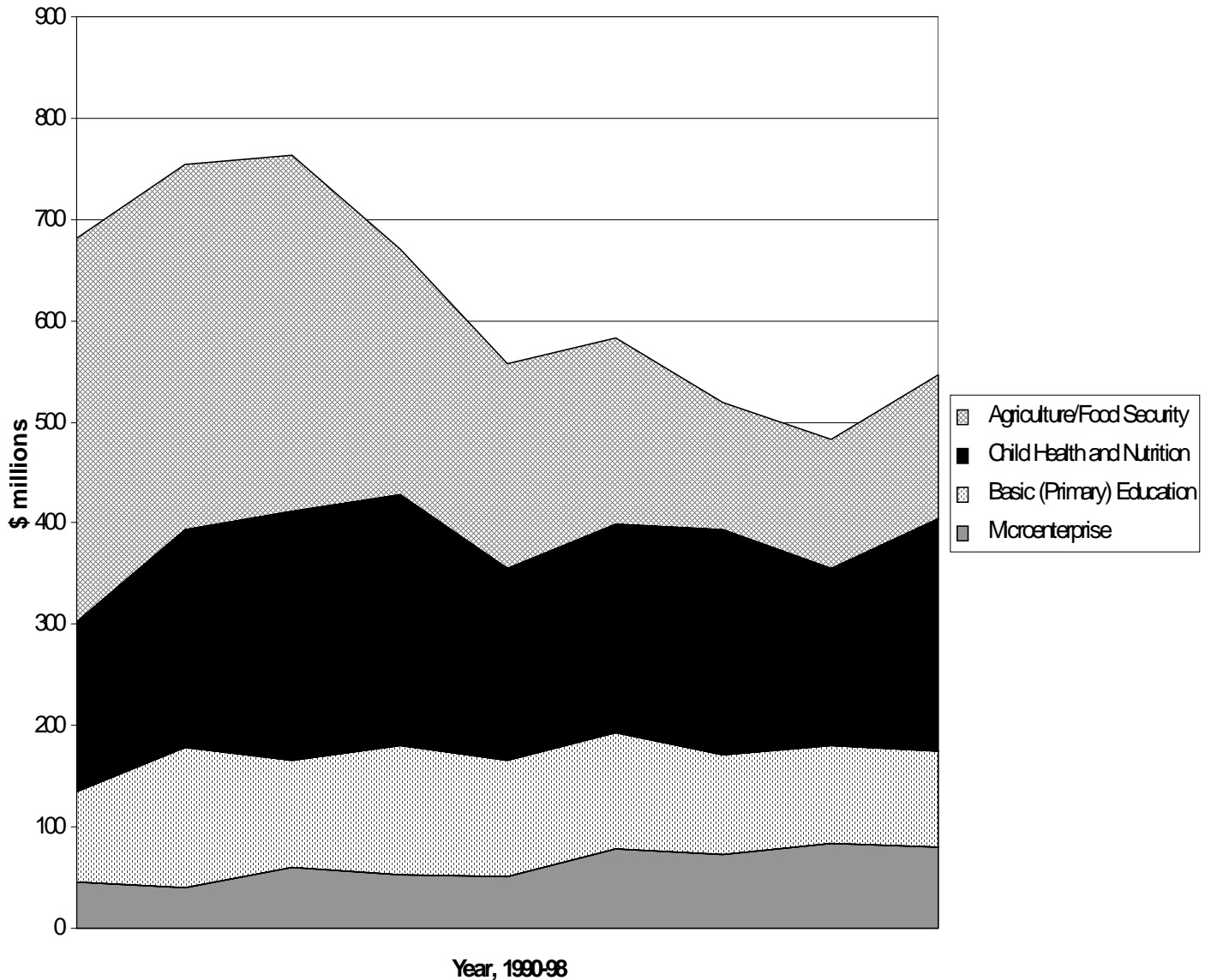
There has been a disturbing loss of U.S. expertise, knowledge, and engagement regarding hunger and poverty problems in developing countries. This goes well beyond U.S. foreign assistance to include the U.S. university community, foundations, NGOs and other groups.

At the same time, however, there are indicators showing a turnaround in these trends. U.S. universities are increasingly engaged internationally; foundations are for the first time in many years working together and in concert with the U.S. government and private sector to address some of the world's biggest problems in developing countries; and the private sector recognizes the need for government investment in public goods and stability in developing countries.

Perhaps one of the most telling changes is demonstrated by a robust set of public opinion surveys showing the U.S. public to be interested in the rest of the world and concerned about hunger, poverty and disease.

Finally, part of this public has – despite congressional aversion to foreign aid in general – built a very strong base within the Congress for support to a number of foreign aid initiatives directly addressing the needs of poor and hungry people. These range from child survival and microenterprise funding, to debt relief, to the Africa Growth and Opportunity Act and the Africa Seeds of Hope Act. The time is right to reconsider and renew U.S. leadership in cutting world hunger and poverty in half.

Figure 1: Development Assistance for Poverty and Hunger, 1990-98



5. Expanded development assistance resources are needed for a successful coalition and effective poverty and hunger reduction. Failure of a concerted coalition-building effort among all the groups concerned with poverty and hunger is related in large measure to the zero-sum budget environment of the past fifteen years. This has encouraged

groups to compete against each other and not to have a common vision. Without a change in this basic assumption about the pie not expanding, interest groups will continue to act as individualists rather than in the common interest of mobilizing greater U.S. efforts to reduce hunger and poverty.

The only way to change this environment, and the perverse incentives it provides to groups that encourage them not to join forces, is to change the budget assumption, and work – in a budget surplus era – for an expansion of development assistance.

CONCLUSIONS:

1. A "poverty and hunger" goal, nested within a broader vision, can draw together two sets of coalitions to expand U.S. support to cut poverty and hunger in half.

Several groups should coalesce around the concern for "poverty and hunger," and indeed this is already occurring. For this coalition to be successful in expanding foreign aid and U.S. efforts for poverty and hunger necessitates that the coalition include vocal and credible groups such as those supporting child survival and microenterprise.

For overall aid levels to begin to rise would require a broader coalition rallying around a compelling broad vision for aid. Such a coalition has many potential members, including the U.S. private sector and the broad training and education community (beyond agricultural universities); while these groups are unlikely to actively support a hunger and poverty campaign, they might support a broader campaign of which hunger and poverty was one part.

2. A broad "global inclusion" or "expanding globalization to reduce poverty" coalition should work with U.S. government leadership to expand foreign aid.

Such a vision could situate development assistance clearly in the context of global trade and globalization, but identify a function that the market and the private sector alone will not fulfill – providing public goods to poor countries and poor and hungry people such as

the tools, knowledge and opportunities that permit them to be included in the benefits of globalization.

This vision can attract significantly more public affairs support from private sector and trade groups than they have provided to the foreign assistance budget in years, while also keeping the NGO and hunger communities involved.

3. A handful of visionary leaders in the interest group community and the executive branch must take the initiative to make this happen.

The time is right, there are already nascent coalitions forming, and the nature of Federal budget pressure on foreign aid has changed dramatically. In this situation a few far-sighted leaders ready to dream big dreams, take initiative, and change the zero-sum budget assumption can mobilize the broader community of interest groups to work together to expand foreign aid to combat poverty and hunger.

This will only happen with the leadership and initiative of a few; but with such initiative U.S. leadership can be restored to combat hunger and poverty, and can lead the rest of the world to address these problems.

**This is the executive summary of Cutting Hunger and Poverty in Half: Interest Groups and a Renewed U.S. Commitment in the Post-Cold War World, undertaken by the author while a research fellow and student at the Industrial College of the Armed Forces, National Defense University, Washington, D.C. I am deeply indebted to Ken Moss, Joseph Goldberg, Phillip-Michael Gary, Milton Kovner, Carl Eicher, David Beckman, Dick Hoehn, Jerry Wolgin, Curt Reintsma, Emmy Simmons, Steve Sinding, Mike Weber, John Zarafonetis, Tony Pryor, and Tom Fox for insightful comments and guidance. Any errors or omissions are my responsibility alone. The views here do not represent those of the U.S. Agency for International Development. This report can be downloaded at: http://www.usaid.gov/economic_growth/egad/afs/hunger*