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"THE POLICY IMPLICATIONS OF THE COMMISSION ON HUMAN SECURITY'S REPORT

IMPLICATIONS OF THE REPORT FOR POLICY

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MR. STEVE RADELET: Okay, let's get started on our second session, if we can. Come on back in and have a seat. What we'd like to do in this second session is take what we discussed in the first part and really bring it into concrete policy terms of what can work and what practical steps can be taken by different actors, even though Nancy suggested that we not look so carefully at the policy implications at the end.

But each chapter in the report do have some concrete steps that can be taken, and I think what we want to do is talk about that. It's a huge topic, obviously, because there are so many dimensions here, and within each dimension, there are so many different kinds of policies that could be implemented. And so I think each of our speakers here in this session are going to really take a slice at it.

It would be really impossible for anyone to take a comprehensive look at this, so we're going to do one slice at a time. About 60 seconds ago, I agreed with Patrick that he would be the first speaker, and five seconds after that, he got a phone call. So I'm not quite sure how to -- he's gone, so I'm not quite sure how to proceed, except that if you're ready, Carol, maybe we'll start with you. And I know Patrick has some time constraints, and so let's start with Carol Graham and continue with Patrick Cronin after Carol's presentation.

Carol, take it away.

MS. GRAHAM: Okay. Thanks, Steve. The report focuses a lot on issues of empowerment and on vulnerability, particularly during times of transition, or in countries in transition -- is one focus of the report, certainly not the only one. And I've spent a lot of my life working on poverty, inequality, and social safety net issues during countries undergoing transition to the market.

So a lot of what the report talks about resonates a lot with what I've thought and done. But I wanted to actually highlight some results from some of my more recent research that I think are relevant not only to the focus of the report, but, more importantly, point to some areas where we should be thinking more about policies that could be better developed than they currently are.

And these are two themes that I've been pursuing. One is with Nancy Birdsall, trying to get a better picture of income mobility. What's happening to the distribution of opportunities in developing societies over time? And the second is a set of research looking at broader measures of well being or happiness, looking at broader measures of well being that go beyond just income measures.

And the findings of both sets of this research really highlight insecurity and vulnerability as major issues driving public frustration with the whole turn to the market process, and also with globalization more generally. And these frustrations are not only among the poor; in fact, they are probably disproportionately not among the poor.

So first of all, just very quickly, why think about income mobility as opposed to just looking at other measures of inequality or looking at poverty headcounts? And the reason is that if you think about income mobility, you get a much better sense of people's earnings or opportunities over time. And this is an illustration; it's a hypothetical society with lawyers and bricklayers. And what you see is that, you know, bricklayers start off -- these are earnings and this is time -- and bricklayers start off at a higher level, but over their lifetime their earnings curve is fairly flat. And lawyers might start off in debt, but over their lifetime they earn much more.

But if you were just taking a cross-section snapshot measure of distribution, say the genie coefficient of this hypothetical society, at this point in time, your policy recommendation, in thinking about policy recommendations, might be to redistribute from bricklayers to lawyers, versus if you took it at this point in time, you'd get a very different picture, which would be, if you believe that there was a need for redistribution, a more accurate picture, that lawyers earned more over their lifetime, and therefore, they had more resources.

Now, without showing you details, because it would take too much time, the initial look we've done at mobility rates in some developing countries -- and the data's very hard to come by because you have to follow the same people over time. So this isn't easy to do. We think it's important to do it, but it isn't easy to do.

We actually found more mobility in a 10-year period in Peru, a middle income developing country, undertaking a transition to the market, we found more mobility in Peru than in the United States in a 10-year period of time. Now, the United States is, in theory, the land of opportunity, where there are supposedly very high mobility rates. But we found two things.

We found that there was an amazing amount of upward mobility from people that started off in the lowest income quintile, and some made it all the way up to the very top. So there were actually real rags to riches stories, and more than we expected. But we also found a lot of vulnerability and a lot of middle income people falling all the way to extreme poverty.

If you think about, there's some recent work by Bill Klein, which demonstrates numerically just the amount of vulnerability that some of these crises, the financial market crises mean for people. Klein finds that in the five financial market crises -- Indonesia, Russia, Mexico, Brazil, and Argentina -- out of a total population of 800 million people, roughly 60 million people fell into poverty at some point in time during that period, and as high as 100 million, depending on what estimates he uses.

The point is that there's a lot of vulnerability, even though we've also found that there's a lot of opportunity. So the other thing that I wanted to know going into this was how people thought they were doing compared to how they were doing. It isn't just how people are doing, but what's their perception of how they're doing. Because arguably, people vote and act economically, and do all kinds of things according to their perceptions of how things are, not necessarily how we measure how things are.

Well, this is Peru, the same data set, the same sample of 500 people that we looked at income mobility. And on this axis is objective income change, or mobility, and on this axis is how people answered a question. We went back and re-interviewed people, asked them a whole series of questions about how they thought they were doing compared to how they were doing.

And what we have here, over here are the people that had the most mobility, the people doing the best. So that if we had just taken that measure, we would say these are the happy campers that are going to be happy with the market, happy with democracy, benefiting from globalization. But if you look here, if you look at these four bars here, almost half of the people with the most mobility in our sample answered that their situation was negative, or very negative, compared to 10 years ago.

And we found this rather surprising. These are what we call our frustrated achievers. These people are accurate. And over here, we have people that did very poorly and said they were doing very well. Initially, we called them the stupids; we decided that was politically incorrect, and we've called them the Pollyannas. And that may have something to do with just their understanding of the question -- I won't go into why.

We're interested in the frustrated achievers today, given we don't have much time. So then another question was, maybe it's just Peruvians. Maybe Peruvians are inherently weird and negative. I was born in Peru; that's possible, of course. So we found comparable data from another country, Russia. And what did we find?

If you look here again at the frustrated achievers bars, it's much higher. We found an even higher percent, over half of the people with upward mobility in the sample reported that their situation today was negative, or very negative, compared to 10 years ago. So what explains all this? We looked more closely at the frustrated achievers.

And I can't get into detail because of time constraints, but just to highlight a couple things, these are the differences between frustrated achievers and non-frustrated people with upward mobility. The little dots here are T-tests for significance, meaning that there are significant difference between the two. There actually is no income different. There's a minor income difference between the frustrated and non-frustrated achievers.

In Peru, there's no income difference. But most importantly, just for this discussion, the frustrated achievers were less satisfied with their lives, so they were less

happy, in general. They placed themselves lower on a notional income ladder than people of comparable income levels. So if you said your society is a nine-step ladder, where the poor are on one and the rich are on nine, where would you place yourself, the frustrated achievers placed themselves lower than people of the same income level that weren't frustrated.

They thought they had less prospects of upward mobility in the future for themselves and their children. They were less favorable about democracy -- and these are the Russian frustrated achievers. They were more likely to want to return to pre-Perestroika times. They were less satisfied with the market reform process. They had higher fear of unemployment. And they were more likely to want to restrict the incomes of the rich.

We think that -- and having looked into this, and there are other questions we've asked -- that what is driving these frustrations, among other things, are two major issues that the report highlights a lot. One is vulnerability. There are no safety nets in either Peru or Russia, or most developing economy contexts. There may be very targeted safety nets for the very poor, but if you're a lower middle income working person and you lose your job, there is nothing to fall back on.

And there is a tremendous amount of movement -- we've seen this -- both up the ladder, but also down the ladder. So vulnerability, vulnerability to falling into poverty, for the near poor, is a huge issue, and it drives a lot of frustration. And secondly, these people, certainly, there's a reference norm issue going on. And much of the debate, the Washington consensus in the past 10 years, has ignored equality or inequality in the distribution as an issue. It's been off the table.

But a lot of what we found -- and I can't go into detail now -- but a lot of what we find implies that these people are very concerned about the injustice of the distribution. Their reference norm, when they compare themselves to others, and their country, when they compare themselves to people beyond their community, is very negative. So there's a perception and a reality, because both Russia and Peru are very unequal contexts, and contexts, particularly Russia, where inequality has increased dramatically, there is a perception that there is injustice in distribution.

And this affects people's evaluations of their own well being, even if they are, by objective measures, doing well. So I think it gets at these issues of social equity and relative income differences mattering. Now, just a last two slides to go a bit beyond this. Some of this, obviously, could be behavioral. Maybe these people are less happy in general, and we've looked into that.

But in doing that, there are some findings from the economics of happiness that suggest that a lot of the focus of the report on other elements of security are important. We did the first study of happiness in a large sample of developing countries in Latin America and added this to studies that have been done worldwide. So the red dots are ours and the blue dots belong to Ruth van Heuven, who has the world happiness survey.

And there is a paradox in the study of the economics of happiness, which is called the Easterlin paradox. Which is that even though within countries wealthier people are, on average, happier than poorer people, as countries grow wealthier over time, happiness levels don't get higher; average happiness levels don't increase. And if you look at these little dots, you'll see that the wealthiest country, the United States, is not the happiest. In fact, it's the Netherlands.

And unfortunately, the unhappiest country here is Peru. And as Strobe Talbott remarked when he read my book, since my husband is Dutch, that we must have a rather interesting marriage.

[Laughter.]

But anyway, more to the point, if you look at the Latin America dots, what we found is that for developing countries, the same thing seems to hold. Wealthier countries are not necessarily happier, and there's something else going on besides just income levels. I think here, this certainly points to social equity issues and insecurity issues, probably driving a lot of unhappiness and frustration.

And the last slide -- don't worry about the details of this. These are regressions, basically, looking at the determinants of happiness in Latin America and the U.S., and comparing them. And we find that there is a remarkable amount of similarity, so that basically, the determinants of happiness in developing countries seem very similar. Marriage matters a lot, health matters a lot; income does matter, but relative income differences matter after certain basic needs are met.

Being unemployed makes people less happy everywhere. That's a big issue. But the one thing I wanted to highlight on this slide before stopping, and before Steve has to stop me, is that if you look at the United States here, self employed people are, on average, happier than others. And why is that? They're self-employed because they've chosen to do so, they have opportunities, they have a choice to be self-employed. They have all the kinds of things that I think the human security report wants people to have in their lives, the opportunity to be self employed or not self-employed. And if you look at Latin America, self-employed people are, on average, less happy than others, and that's because they're not self employed by choice. They're living precarious existences in the informal sector, probably selling matches on the street, and they don't have a lot of opportunity, and they have a great deal of vulnerability.

And so, here there is a big difference between the developing economies and the developed economies. And certainly, I understood the report, as I read it, as a real call for trying to better both opportunities and also eliminate insecurities in these countries. It's a huge challenge, and I do think that there is a tremendous role for better safety nets, and better safety nets not just targeted for the very poorest, but better safety nets in the sense that we have safety nets in the developing economies, that safety nets make labor markets work better, so that if you become unemployed, it's sort of a tool to moving onto your next job.

This is obviously a huge challenge. I'm not going to go into how I think this might work out at this point, because I'm out of time. But I think it's a major challenge. And the other issue that comes out of this research that I think is hinted at in the report is the whole issue of the equity of the distribution.

MR. RADELET: Great. Thank you very much. I noticed that in both of your country groups, the ones that were the happiest were students, which says something about being a PhD student forever.

[Laughter.]

I think we ought to reconsider that prospect. It's my pleasure now to introduce Patrick Cronin, who all of you, I think, know. He's the assistant administrator for policy and program coordination at USAID. He has a long history and great expertise in working on security issues. Before he was at AID, he was director of research at the Institute for Peace, and before that, the deputy director of research at the National Defense University.

So he's been thinking about these issues for quite a long time, and we're very pleased that he's here with us this afternoon.

Patrick?

MR. PATRICK CRONIN: Well, Steve, thank you very much. Reading this report very early this morning on my sun porch, for the first time, the first thing that jumps out at you is just the humanity of the report. And I'm not surprised, given just the co-chairs, with Ogata-san and Amartya Sen, but great humanity really leaping through the chapters of this report, a lot of material that's required reading now at AID as of this morning.

Although I do agree with Nancy Birdsall's comment that she made earlier, that you won't find that humanity as much in the conclusion as you do in the individual chapters, so it's very important to read, I think, the entire report. The other thing that struck me this morning was the congruence with much of what is in the Bush administration's national security strategy paper.

This is not a report that has no congruence with the policies of a fairly conservative U.S. administration. In fact, just the opposite. So that was very striking. And indeed, retrieving some quotations from that national security strategy report on the idealism alone, "Freedom is a non-negotiable demand of human dignity, and the U.S. will champion the aspirations for human dignity, and oppose those who resist it."

I think that resonates both in the human security report and the national security strategy quote here. On the issue of protection, just one quote, again, from the Bush national security strategy report. "Fathers and mothers in all societies want their children

to be educated and live free from poverty and violence. And we will use our foreign aid to promote freedom and support those who struggle non-violently for it, ensuring that nations moving toward democracy are rewarded for the steps they take."

But also the question of empowerment, again, just one quote. "When nations close their markets and opportunity is horded by a privileged few, no amount of development aid is every enough," and so on. So again, the congruence is real and striking, and it's both an accommodation of the human security report and, I think, the issue that norms are, indeed, changing, and that are possible to build a consensus around many of the issues on this report.

Having said that, and thinking more on the practical side, both in terms of resources and, ultimately, on the field, implementation. How do you translate this high idealism, which, I think, Ogata-san said is partly to help shape norms, into shape debate, versus what has to happen on the ground in the developing world. There, there's quite a huge gap, a long way to go.

And, indeed, the title of the report isn't "now," the third word, human security now. And I'm thinking now? No, it's not now, unfortunately, where it's going to happen, because that's the vision. You'd like it to happen now, but we have a long way to go. And I wanted to mention just 10 of the impediments that we are facing both within our government and internationally that are preventing us from sort of realizing this now.

First of all, security sector reform. We still do not, internationally, the U.S., have not effectively tackled post-conflict, as well as pre-conflict, security sector reform in the developing world. It's not comprehensive. We don't do enough prevention. That's why the administrator, Andrew Natsios, has tried to setup a separate line item to look at the preventative side of conflict rather than just the important transition initiative work that Rick Barton, for instance, pioneered at AID on transition initiative post-conflict assistance.

Also in post-conflict area, the civilian coordination function is still something that we're lacking success on. Demobilization and rebuilding an Afghan army is a case in point in terms of how difficult it is to move a central army and create a central army that can compete with even the regional warlords, frankly.

But an issue I would highlight of special interest here is community policing. This is missing from so many of the donors' work plans, essentially. We in the United States are hampered by section 660, which was a congressional reaction, back in 1974, to abuses in the public safety sector. And yet we have learned, and we know, and Steve Radelet's father -- I didn't know this -- wrote the first book on the subject of community policing, so this is not a sob to Steve, but the reality is that we have learned in El Salvador, for instance, in a post conflict setting, exactly how you can reverse what is the norm in post-conflict settings: the rise of violence and crime.

You can reverse that and drop it down if you can get the communities involved. And so, this is not magic. We're not doing enough of this now. There's actually language pending before Congress right now that could help, if we can get this passed, on more than an exceptional basis. And we need to do it in not just the post conflict setting, but even in places like Jamaica, which are slipping downward.

State weakness and failure, a second issue. Frank Fukiyama, among many others, has dubbed this a chief concern in international security. And for me the question really is, how do you intervene, where do you intervene given the cost and the difficulty of doing work in these environments? I'm thinking of a book by Ron Heifetz, which Lee Howell gave me some time ago to read, thinking about technical changes versus environmental changes.

That is, what are those things that can be fixed with a technical fix, where technical assistance would make the difference, versus those things where the environment is so structurally unable to deal with the issue that you really are having to come up with some very different paradigm, whether that's an international intervention -- and you can't only do that selectively.

Look at D-ROK (ph), John. I mean, look how difficult -- you've been working there and trying to do that, and there's so much work to be done, even the agenda you outlined in the '90s. I mean, it was still a vast agenda, and it's still unmet, and yet there's an opportunity. But then do that in many other countries, and it's very, very difficult to see how that's going to be done quickly, and now.

Very quickly, some of the other issues. A counterweight to terrorism -- and terrorism is mentioned in this report, to its credit. On the other hand, figuring out how we can do more internationally to bolster moderate alternatives to extremism, especially in the predominantly Muslim countries. How can we promote social, political, economic reforms, for instance, such as those spoken of in the UNDP Arab world report issued last year?

We have responded, in the U.S. administration, with a Middle East partnership initiative, where we're adding now more than $150 million this year, and this coming year, and expect to add even more to try to promote those reforms, especially thinking about education, about women, about a free media, and also about economic freedom, I think, which Carol Graham has spoken of.

And this is not just resources, but also, how do you, in turn, create partnerships so that you can have effective implementation? Because frankly, there aren't many actors in the Muslim world that want U.S. money on these kinds of terms. They certainly don't want us to intervene so far as to write their textbooks, for instance. So effective partnerships -- I think, Ogata-san, you mentioned, very practically, where can we make a difference? Indonesia, Pakistan.

Can we partner with Japan? Can we partner with the UK? Can we do this through NGOs, through think tanks, and through others? Indeed, we need a network of moderate Muslim institutions and actors, I think, to sort of rise up the weakened support and have that indigenous partnership really grow.

Anti-trafficking, the fourth area where we are only starting to recognize that this needs to be a sanction on a par with proliferation. We have a U.S. strategy; I think that's a positive step forward. We have a list of countries that will be sanctioned in terms of not receiving assistance. That's a good start. We're doing things on the ground; I'm thinking of Brazilian city slums.

But these are so modest in terms of the steps that we're taking -- AID, Labor Department, other donors -- to try to work in a very difficult environment where children are having to go to work too early, and then they're being exploited sexually, and there are lots of problems. This work has to be expanded.

Food security, huge issue. The United States is a leader in ending hunger. The president has spoken eloquently on the need to end famines. The United States is also providing more food than any other donor, more than 40 percent, on average. We're then criticized by a lot of our European friends for providing genetically modified organisms, even to the point of saying, well, those Americans just want to stuff starving Africans with their genetically modified food surpluses.

Well, the alternative they're suggesting is to let them starve, it seems to me, when they're not providing more food themselves. So yes, we are trying to provide whatever means to increase productivity and to develop policies in these countries that will prevent, say, an Ethiopia from having a recurrent famine on a regular basis. And that takes more than food.

A Famine Fund is one initiative that we've launched, adding $200 million a year, beginning this October, to help provide flexible assistance to deal with the famine both in the short term and longer term. Six, transparency and good governance. Corruption's endemic. It's sapping aid effectiveness. It's the rat hole that Steve's former boss, Paul O'Neil, talked about when he referred to foreign aid not working.

You have to have sound policies. We know this from World Bank research; we know it from the research of the bilateral donor experience. And that's why the Millennium Challenge Account was created, in large part, to focus on countries where there clearly was good governance, that were governing justly, investing in people, had open economic policies. And they should be rewarded, in essence, with more assistance, where you can definitely have a fertile ground to get economic success.

The seventh issue, women and development. Again, we see this on the health area. In particular, HIV-AIDS is a good example of this. Not only are we doing now treatment as well as prevention, a very important addition -- we have a more comprehensive approach under the president's $15 billion investment in HIV-AIDS over

the next five years, but also the initiative on mother to child transmission recognizes the role of women, for instance, in this area, which cuts across not just a health issue, not just an economic issue, but a security issue, and certainly a human security issue.

We need to make this more than a sort of an issue of women and development office, which is the small, almost earmarked, office from Congress that we have in AID, at $10 million, $11 million a year, and mainstream the women's issues, just as we have found was necessary in Afghanistan, will be necessary in Iraq. And elsewhere, you can have a profound difference in development. The evidence is there and backs this up.

Eighth, trade. And Nancy Birdsall did mention a couple of the problems here, but the president has talked about -- he dropped the suggestion in the Coast Guard speech last month, where he talked about the need for all developed countries to end their export subsidies on agriculture. And this would be one of the huge impediments to developing countries' trade. Also, we are spending, we're almost doubling the amount of money we're spending on trade capacity building, helping developing countries, especially in Africa, but elsewhere, develop local, regional, and global trade capacity building.

Number nine, the resources issue. We are right now on track, under the president's proposals, to have a historic rise in ODA, in official development assistance, from about 11 billion in 2001, to almost 20 billion by 2008. But that's all projected. That's not real money yet, at this point, and that's a serious concern. Europeans are also planning to raise ODA.

Japan, unfortunately, is decreasing slightly, but Japan is also taking a leading role on peace building, and really focusing on some of these very important security issues. So it's using it much more strategically and very effectively -- well, maybe, in Sri Lanka, in Mindanao, in Ache, in other places, as well as in Afghanistan and Iraq. But the resource issue is fragile in terms of a consensus.

Yesterday, we had from the House of Representatives a reduction on the president's request for foreign operations, at one point, $7 billion. Well, that's going to hurt. That's going to make it much more difficult to do some of these things if that passes. We also clearly need to mobilize more than official development assistance, use it as a catalyst to attract private flows and remittances, and to achieve the economic growth, which can really make a lot of this more sustainable.

And finally, public support. I'm worried a bit -- this is where the idealism sometimes runs into the reality of public support -- we don't have enough public support right now to do foreign operations and development assistance in this country. If we raise the bar so high, which a vision can sometimes do, the expectations, we run the risk of accentuating our failures and our shortcomings. And we don't want that to happen.

We don't want to fall back and accept the shibboleth that aid doesn't work. It can work. It does work. We do know a lot of the best practices. So we have to make sure that we fight back. One of the ways we do that is through the accountability that Nancy

Birdsall was talking about, benchmarks. We've actually created an online presidential initiative tracking system that will be available to the public soon, but right now is available to the U.S. government, where we're starting to track by people.

I mean, we want to know how many children in an African school are getting textbooks, how many teachers are being trained, how many people are being treated for HIV-AIDS. We want to know on a quarterly basis, not wait for two years for a report from Congress and just hear that the program is on track, it's successful. We want to hear the specifics. A valuable report sets the vision, will help with the debate over norms. But on implementation, I think, as Ogata-san said, looking for practical opportunities. And how to move ahead on these and other areas is maybe the real key to sort of providing greater human security.

I'm afraid I have to go to a lunch appointment. I'm very sorry. Thank you very much.

MR. RADELET: Thank you, Patrick. I'm glad that you were here and were able to share those comments. That's quite an agenda. And that will keep you busy after lunch, taking care of all 10 of those points. Thanks, Patrick.

Our next speaker is Roberta Cohen, who's a senior fellow here, in foreign policy studies, at Brookings, and she's the co-director of the Brookings-SAIS project on internal displacement. She's done a lot of work on internal displacement issues, and I think she wants to focus her comments on that important part of this larger puzzle.

Roberta?

MS. ROBERTA COHEN: Thank you. I'd first really like to applaud Sadako Ogata and the commission for their efforts to promote an international order in which human security is the overarching framework -- no small challenge in the world in which we live. I was struck, in reading the report, how much of my own work follows the commission's overall thrust and guidelines. I guess that makes me an idealist.

The project on internal displacement that I co-direct with Francis Deng, who's the representative of the UN Secretary General on internally displaced persons, seeks to create an international system to both protect and also empower the world's internally displaced people, those displaced by civil wars, generalized violence, human rights violations, natural and human-made disasters and development projects, and who remain uprooted within the borders of their own countries.

As you all know, I believe the international system of protection created for refugees at the end of the Second World War extended only to those who crossed borders. So over the past decade, Francis Deng's and my work have promoted the view that people in refugee-like situations within their own countries also need a form of international protection.

The conceptual base we have used has similarities to the human security framework in that it supplements the state-centered system with a new look at sovereignty -- and Rick, you raised the sovereignty issue before. Our project, in particular, has emphasized sovereignty as a form of responsibility to protect the security and well being of one's citizens.

Now, this responsibility not only includes accountability to the domestic constituency, but also to the international community and its standards. And when states are unable to fulfill their responsibilities, they're expected, under this concept, to request and accept outside offers of aid. If they refuse or deliberately obstruct access, and put large numbers at risk, the international community has a right, even a responsibility, we argue, to step in with diplomatic dialogue, negotiation, political pressure, sanctions, or, in exceptional cases, military intervention.

Nancy Birdsall asked, "When is it acceptable to intervene?" And I think that subject is one that would do well in the policy action part of this process. No government, I would note, has explicitly challenged the concept of sovereignty as responsibility, and I imagine that no government will explicitly challenge the concept of human security. But a tug of war does play out daily between those who consider that such reformulations of sovereignty are interference in internal affairs, and those who try to empower people around such standards, and strengthen the international responsibility to protect.

So making operational the concept of human security will therefore be no easy undertaking. The normative framework that my project initiated promotes the guiding principles on internal displacement -- this little red book, for anyone who's not seen this -- is also based on a more forward looking concept of sovereignty. The principles, for example, not only set forth the rights of the displaced, and the obligations of states toward these populations, but also set forth a role for the international community when states don't fulfill their responsibilities.

They further incorporate the idea of empowerment, as several of their provisions call for the full participation of internally displaced persons. Another important feature of the principles that correspond with the ideas in the human security report is the process. Unlike other international standards accepted and used by the UN, the guiding principles were not drafted by member states.

To be sure, the UN Commission on Human Rights and the General Assembly did request a normative framework. But the principles were developed by a team of international legal experts, in consultation with a wide range of international organizations, regional bodies, NGOs and research institutions. Their development seems to demonstrate what's mentioned in the report, that states are no longer the sole actors when it comes to managing security issues.

The principles, I would note, also apply to non-state actors or insurgent groups. And our project, in fact, has been developing programs to promote accountability among

non-state actors using these principles. And I would hope that attention is paid, in the plan of action, to the whole question of non-state actors and dealing with them.

Frequently, we are asked to provide guidance with regard to the development of principles on human security, or the responsibility to protect. And I must say, there's a lot of room for debate here about whether the informal process that we used to fill an international gap is the most effective, or whether it would be better to pursue a binding treaty.

I would note that our process has not been free of problems. While the overall acceptance level has been positive with a growing number of states, international organizations, regional bodies, NGOs, and civil society, and also displaced communities using the principles, there are a small number of governments, quite vocal I might add, which have challenged the principles on the ground that they were not drafted by governments and therefore, they claim, have no standing.

But it's also true that every time they get up at the UN to say the principles have no standing, it's generally because an increasing number of governments, the UN secretary general, as well as UN resolutions, have been giving the principles acknowledgement and standing. At present, a process hosted by the Swiss ambassador to the UN is taking place to try to narrow differences over the principles. The ultimate outcome will be relevant to the human security framework.

The human security report emphasizes the importance of forging stronger links among the humanitarian human rights in development communities. Indeed, the compartmentalization of these fields has often made it difficult to provide an integrated package of material aid, protection of physical security, and re-integration and development support to internally displaced persons and other civilians at risk.

Nor have international efforts at coordination of these different functions worked effectively, in many cases. Integrating human rights and security concerns into humanitarian and development work continues to prove extremely difficult. To begin with, there are few agencies, apart from the international committee of the Red Cross and the UNHCR, with experience in what is called protection. And that is, not only providing food medicine and shelter, but monitoring and advocating for the rights of people at risk, possibly arranging evacuations, creating safe areas, accompanying returnees on their way home.

Such initiatives go beyond the mandate of many field staff, are dangerous. And many relief workers fear that such steps will compromise their ability to provide aid, or even lead to their expulsion from a country. At the same time, international humanitarian and human rights agencies continue to experiment with enhancing security in the field, on a collaborative basis. But this work has a long way to go to be effective. And who is going to do protection, I really think has to be a strong part of the plan of action of the Human Security Commission.

Now, of course, in wartime, or post-conflict situations, it's military and police action that are needed, but they often miss the mark. The idea of having a standby corps of protection specialists, both for emergencies and their aftermath, drawn from police and constabulary units, humanitarian and human rights organizations, and security experts, is an idea that should be considered, as well as the proposal recently advocated by Susan Rice for rapidly deployable international civilian police force for post-conflict situations.

Integrating humanitarian and development work also remains a serious challenge. As Sadako Ogata mentioned earlier, she and James Wolfensen undertook what I would call a great step forward when they brought together, in 1999, humanitarian, human rights, and development communities, including donors, in what was called the Brookings Process, in order to deal with the often cited relief to development gap.

It's led to a variety of positive results, although the gap continues to undermine reconstruction and rehabilitation in a number of countries, and the successful reintegration of displaced populations. You just have to look at Afghanistan, where the slowness with which reintegration and development aid has been provided -- underscores the recommendation, in the human security report, for the creation of a transition fund for each post-conflict situation.

A final word on institutional issues. When it comes to the 25 million people internally displaced in the world, there's a great gap in the international system. Unlike for refugees, there's no locus of responsibility for the internally displaced. Although many international organizations have come forward to provide humanitarian aid, protection and reintegration, and development support, despite current efforts at coordination, international arrangements have been highly unpredictable, with organizations basically picking and choosing, on an ad hoc basis, whether or not they will become involved.

Indeed, no one knows, in each new emergency, which agency, or combination thereof, will become involved in seeking to assist and protect displaced populations. I would hope that the plan of action of the commission will look at this more in depth. Just take the case of Iraq more recently. The UNHCR indicated that it would provide assistance and protection only to refugees and those who came close to the border, but couldn't get across.

However, this was never really defined. So if an internally displaced person came five miles within the border, two miles within the border, would UNHCR help them? Meanwhile, two agencies with little experience in protecting uprooted populations were asked to assume operational responsibility for the internally displaced: the UN Office for Project Services, which deals with landmines in Iraq, and the International Organization for Migration, whose staff in Iraq had to be given a crash course in protection on the spot by the UN Office for the Coordination of Humanitarian Affairs.

Georgetown University's Institute for the Study of International Migration has floated the idea of establishing a high commission of forced migrants, who would have

responsibility for all displacement induced by conflict, development, and natural disasters, and include both refugees and IDPs. In making this recommendation, it has questioned, of course, the workability of the current coordination system.

It's also pointed out that the fluidity of the phenomenon of displacement makes it increasingly difficult to draw distinctions between different groups of forced migrants. For example, internally displaced persons may become refugees, while many returning refugees become internally displaced. While recognizing that issues of sovereignty will continue to mean that different approaches are needed, depending on whether a person is outside or still within his own country, it may no longer make sense to divide these approaches institutionally.

There's obviously debate and controversy about this proposal, but it points up the problem of parochial views of mandates, institutional vested interest, turf wars, and donor interests, all of which plague the provision of security by the international system. So I think it's an idea that ought to be looked at.

So finally, I would just say that this report is an important milestone in the effort to devise a more predictable and effective system for human security. I very much look forward to the plans of action of how to carry forward its implementation.

MR. RADELET: Thank you very much, Roberta, for very specific suggestions on how to move on that issue. Our next speaker is John Prendergast, who is the co-director of the Africa program at the International Crisis Group. Previously, he was special advisor to the State Department, focusing on conflict resolution in Africa, and he was also director of African Affairs at the National Security Council. So he's been wrestling with these issues and problems, in very practical terms, for a long time.

John?

MR. JOHN PRENDERGAST: Thanks, Steve. As you can see from that, I am an Africa hand. I would have to say, probably, what you're getting with me is basically Robert Bates-lite.

[Laughter.]

But I'll do my best here. And also, I'd like to go out of the Africa box just for a second and make a larger comment on the foundational principle of the Human Security Commission's report. The report, I think, well recognizes the pitfalls of relying too heavily on the security of the state as a paradigm. But we also must recognize what I think is a rebound effect of this insight, and understand that the aid and the NGO community have, in fact, largely been driven by the human security paradigm for at least the last decade, well before Patrick conceived, at USIP, of these 10 things.

And this, what amounts to, a long time ago, an aid coup d'etat, has largely been, I think, a very, very good thing, and it's outpaced foreign policy thinking on the issue. But

it has had one negative impact, I think. In recognizing the limitations of the state, the aid community, in ensuring security, the aid community has largely disinvested in the state, in broad terms, particularly in peripheral zones.

And the result has been, in very general terms, an increase balkanization of aid to civil society organizations, while state capacity continues to slowly erode. State relevance is declining in these peripheral zones. It doesn't deliver the services. We let the civil society organizations do it. We let the international organizations do it. The state is left with a security apparatus -- well, what do you think will happen with that? At least a furthering of security, further predation and use of the tools at hand.

The further result, and the most important result in this -- and I think one that links very closely with the report -- is that the lengths of reciprocity between rulers and ruled continue to deteriorate over time. The concept of reciprocity, in my view, is where human security and state security meet. The social contracts are fewer and farther between, despite the best efforts of the multilateral agencies, and everyone else that's trying to push these agendas.

So as the report says, to counter that, human security requires strong and very stable institutions. And I think this requires a much greater investment now in the institutions of the state to promote reciprocity with citizens. And that lays the foundation, more than anything else, in my view, for greater human security. So that's the intro. I want to go now to Africa, specifically, so I hope you don't count that against my time, Steve.

The report alleges that the war on terrorism, interestingly, has stalled progress on building a new international security system. I think the truth is more that the response to conflict, or pre-conflict, situations was and remains ad hoc, situation-driven, highly idiosyncratic from administration to administration, from secretary general to secretary general.

There remains no real hierarchy of organization of effort between the United Nations, regional organizations, and individual states -- again, we're talking about Africa, particularly. We've seen a lot of progress on the architecture with respect to human rights, migration issues, on humanitarian assistance, particularly, even on development assistance and economic reform, of course. But we've seen very halting progress, I think, on conflict resolution and conflict prevention, on the conflict resolution and conflict prevention agenda.

One really needs to look no further than central Africa. Now, you have this cited over and over again in this report, and every other report that deals with these issues, the Rwanda genocide and the lack of response to that. Well, if anyone's noticed, a killing four times greater than that of the Rwandan genocide in 1994 has unfolded right across the border in the Congo, since then.

Acts of genocide have been committed, quite clearly -- just read the convention. We have a grossly inadequate and inappropriate international community response relative to the immense needs in the Congo today. The Congo has become, in my view, the poster child for how little progress has been made by the international community on the human security agenda.

There's a great paragraph on page 25 of the report. It talks about this wonderful UN Security Council resolution on the threat that massive population flows pose to international peace and security, and the need to adopt specific measures to address the safety of people in those zones. Then it acknowledges, in the next sentence, "In practice, however, the council is seldom in a position to propose or authorize specific steps."

Well, I think that, for me, symbolizes the last decade. We have been writing better and better reports like this one, which I think is absolutely a genuine masterpiece in terms of literature and the thinking. We are passing great UN Security Council resolutions. We're creating wonderful international institutions that address, sort of in general terms, all these things, trans-nationally.

We are making better and better speeches, with more and more applause lines than every before. But the truth is, quote, "We are seldom in a position to authorize any specific steps," and again, unquote, "particularly in Africa." Why? I think it's the same obstacles related to state sovereignty. Rick brought it up first; everybody else has mentioned it today.

These obstacles of state sovereignty are as formidable as they ever were, and quote, "The political will issue continues to be a break on action." Those that want to see, for example, justice and accountability couldn't understand why Taylor wasn't picked up last week. Boom. Deference, sovereignty. People who want to see and support NAPAD as the future for Africa, they can't understand why Africa doesn't respond to Zimbabwe. Boom. Deference, sovereignty, same thing.

Those that want to support the AU and African diplomacy, and those that want to support the UN peacekeeping operations will, at some point, wonder, if they're not already, why, in the Congo, those two efforts, the conflict resolution effort and the peacekeeping operation, were largely focused, until last week, the two-thirds of the country that isn't at war, and are largely irrelevant to the one-third that is absolutely on fire to this moment.

I'd also like to note an intriguing point on page 31. It's a recommendation. It says, "Preventive strategies should give higher priority to the protection of people in collapsed states and contested regions." That's an interesting thing. So, in other words, if human security was a guiding principle, then the response that we would make to major crises might be very, very different. For example, diplomacy, rather than continuously and constantly seeking ceasefires as a precursor to comprehensive peace agreements, you could see a step before that that humanitarian diplomats, of course, have been doing this for years and years, but more foreign policy, conventional diplomacy, has largely

ignored, and that is looking at things like DMZs, and safe havens, and safe corridors, negotiating these kinds of things and then implementing a regime that protects people, even while you continue to press for and push for a cease-fire, which are usually in these wars, as we saw from some of the slides above us, take years and years to get.

In other words, the treatment of civilians would become the standard for how governments in opposition would be dealt with by the international community rather than anything else.

Ultimately, over time, I think the bulk of the international community's financial resources that flow to crises, which are largely in the form of the huge amounts that we spend on the peacekeeping operations and the huge amounts that we spend on humanitarian aid, I think these efforts will have much less effect, obviously, on human security, than the much smaller resourced and lower profile efforts at sustained diplomacy, at promoting good governance, and the conflict prevention through the capacity building efforts, or through the aid conditionality, either way, whether it's conventional aid conditionality or the way NAPAD envisions it, or providing relevant development aid and trade investment opportunities that promote human welfare.

These will be the more quiet tests, and I think passing them will result in greater human security for all down the road. Thanks.

MR. RADELET: Thank you very much, John. Our last speaker, last but not least, Susan Rice, who's a senior fellow here at Brookings, and formerly assistant secretary of state for Africa.

Susan?

MS. SUSAN RICE: Thanks, Steve. I liked Nancy Birdsall's characterization of the report as radical. I don't agree with it. I think it's actually more visionary than radical. But perhaps I'm just more radical than I thought I was, and it's all eliding for me. But I think what is clearly the case is that this report encompasses and implies an extremely broad cross section of policy recommendations.

It's tremendously sweeping, and we've touched on many aspects of them, but by no means all. And we're going to have to, thinking about this from the perspective of policymakers, be very rigorous about prioritizing which steps one takes first. I don't think, for example, it's practical to expect the leadership of, say, for purposes of this discussion, the developed countries in the international community, to tackle all of these aspects of the agenda simultaneously.

And even if we're just talking about the economic aspects of the agenda, which is what I want to focus on in my brief comments, it's not possible, for example, I think -- I should not say possible -- it's not practical to expect that the international community could get very serious and very committed about global poverty alleviation and, at the same time, take the sorts of steps that are important, that Carol dwelt on in her comments,

about creating sort of a global social safety net, so that people of lower and middle income, in parts of –

[TAPE CHANGE.]

-- have some sort of shock absorber when economic crisis hits. And these are both important imperatives, but to try to tackle them simultaneously, far less, at the same time as we tackle many of these other things, I think, is probably not possible. And so, I think, Madame Ogata, as we think through the program of action, it would be helpful and useful to look at this in terms of a timeline and what sequence of steps might be optimal in order to maximize the chances, over time, of achieving many of these objectives, but to do it in a way that doesn't overwhelm the system.

I also want to say that I think from the perspective of the United States, certainly, and probably many of the other G8 countries, or OECD countries, for this sweeping agenda to be internalized and implemented in a serious way by the more fortunate countries on the planet, there is going to have to be some way to underscore what, I think, is the real, but I think often overlooked, reality, that human security, or human insecurity, has real security implications for those of us in the developed world, who live rather comfortably.

We need to be plain, that all these steps that ought to be taken are not steps that ought to be taken purely out of the goodness of our hearts, purely because we care about our fellow human being, as important as that is. I don't think these recommendations will gain traction unless and until a strong understanding is built and a case made that we have important and urgent security interests in seeing human insecurity around the world addressed.

And I think we do very much have a serious security stake in this, and I think we have an obligation to highlight the elements that stake as a way of catalyzing policy change. Now, in terms of specific policy steps, I want to just focus, in the interest of time, on one narrow aspect of this, which is not even narrow -- the global poverty alleviation challenge, which clearly, I think, is not only an essential part of achieving human security, but it's an essential challenge for the United States and other developed countries if we are to secure our long term, both economic and security, prospects.

What could the United States and other developed countries do to deal more effectively with poverty alleviation? I'd like to suggest some steps, a number of which are echoed in the report. And I want to be clear that I'm not proposing to be exhaustive. I'm really being illustrative of the types of things that ought to be highest on our priority list.

First and foremost -- and I credit the report a great deal for pointing to this -- the issue of agricultural subsidies. This is huge, and games are being played on this subject

in Washington and beyond. Patrick, I wish you were here. He mentioned the president's speech at the Coast Guard Academy, in which he very glibly called on developed countries, particularly in Europe, to eliminate their export subsidies, and failed to mention the whole panoply of production, and other subsidies, that we have put in place here in the United States, and increased by over 80 percent in 2002, in the context of our farm bill.

And what we have in reality is a great deal of hypocrisy. On the one hand, we say that we're interested in free trade and that we're interested in some of the laudable rhetoric that's outlined in the president's national security strategy. On the other hand, we and the Europeans, to use a term that I think Nancy used earlier, criminally negligent in our perpetuation of these agricultural subsidies, and our refusal to make the sort compromises that are necessary to move ahead in the context of the Doha round.

And now, the great promise of the Doha round is threatened and may, in fact, blow up. If we were serious about dealing with agricultural subsidies, which would put, at least using your statistics in the report, perhaps, $60 billion of additional resources into the developing world, on an annual basis, we could begin here at home by starting to rollback some of the most egregious provisions of the 2002 farm bill, far in advance of the conclusion of the Doha round.

Now, we aren't going to do that, both because it's politically very difficult to do it, and because I don't think we have the political will to demonstrate to the Europeans our bona fides and challenge them to do the same. So we're in this very unfortunate do-si-do under the rubric of the Doha round. But this is potentially the single most important thing, immediate bang that developed countries could do if we were serious about global poverty alleviation.

Related to it is the question of market access, and how the United States and other developed economies continue to erect barriers to the goods, and particularly the more value added goods produced in parts of the developing world. And again, the report has some interesting statistics about the extent to which the more value added goes into a product coming out of the developing world, the more difficult and the higher the barriers to its entrance into the developed world.

But we, I believe, can and should expand the sorts of market access opportunities that were embodied in the African Growth and Opportunity Act that passed Congress and was signed into law in 2002, and look seriously at expanding those sorts of opportunities to parts of the world that go beyond Africa. The African Growth and Opportunity Act allowed products from Africa to come into the United States duty free, quota free, for 6,500 items on the GSP list.

Well, what if we said all items can come into the United States from Africa duty free and quota free? That sounds like a radical concept. And when you actually look at the potential cost to the United States, it's very, very small. It really will hit in two sectors, to a certain extent: agriculture and, obviously, textiles. This was an area that was

written out of the original AGOA legislation, but could be incorporated in an extension, and a elaboration of that, and could be applied to other parts of the world as well.

Debt relief. We have the HPIC initiative, and the enhanced HPIC initiative, which, I think, was a good start. But it hasn't realized its promise for even many of the HPIC eligible countries. We don't have, for example, ways of protecting HPIC eligible countries from external shocks, whether they be radical changes in commodity prices or, in the case of some countries now in Africa, the economic impact of continuous threats to those countries from terrorism.

We have no ability to cap debt service payments such that they don't get way out of control. Consider if we put a cap of 1 percent, debt service payments as a proportion of GDP, on HPIC eligible countries. You would see a very different kind of HPIC and a very enhanced kind of HPIC. It also would be nice if HPIC and the Paris Club could find ways to deal more effectively with what I would call countries in transition, countries emerging from conflict, countries emerging from totalitarian governments, which, right now, have to get in the back of the queue when, arguably, they need a fast track to debt relief and the benefits that that provides.

Let me just conclude by talking very briefly about development assistance. Patrick mentioned the Millennium Challenge Account, which, if the funds are appropriated -- and I think that's a very big if, as he acknowledged -- will increase, by 50 percent, development assistance from the United States. And yet, as Steve knows better than almost anybody, because he's done tremendous research on this subject, the Millennium Challenge Account will, in the first instance, benefit a very small handful of countries. And these are the top performing countries, countries that have already, arguably, achieved a degree of excellence with respect to economic and political reform. And so, my view is the Millennium Challenge Account is a great idea, but it's a great idea that's targeted to a handful of countries, and perhaps, I think, throwing too much money at a handful of countries, to the exclusion of the vast number of other countries that aren't going to qualify.

The Millennium Challenge Account is, in essence, in my opinion, and many may not agree with this, I think, a very laudable experiment in development assistance. It's basically saying, can we get development assistance right? Can we figure out how to do it so that we prove that it's not money down a rat hole? And I think that's a very important objective.

Do we need to spend $5 billion a year on, what is it, 12, 13 countries -- countries that often are very small and not likely to be engines for development even if they succeed in their larger sub-regions? Or can this experiment in development be done for less, and the resources that have been envisioned, perhaps, be taken and augmented to deal with the other parts of the world that are facing tremendous difficulties with respect to the development challenges they face, but are not high performers?

We don't have a comprehensive development strategy that deals with failed states. We don't have a development strategy that deals with the sort of lower to middling states that are, nevertheless, important -- your Nigerias, your Kenyas, other countries of the world that we can't afford to ignore, but aren't going to be Millennium Challenge Account eligible players.

And so there is a broad spectrum of policy implications for the challenge of global poverty alleviation. I have only touched on a few, but I just want to end with one fact. It is estimated, I read just recently, that the cost of our military presence alone in Iraq, not the post-conflict reconstruction, not all the investments we have to do in nation building, but just the presence of the U.S. military cost the United States government an estimated $1 billion a week.

Annualize that. That's $52 billion a year. That's more than the entire developing -- it's about what the entire developed world is now spending on assistance to the developing world, on one country. And we're doing it because a case was made, credibly or not, that this posed an imminent security threat.

Now, this brings me back to my original point, which is not to manufacture perceived security threats, but to recognize that when the United States, and other countries, comprehend or perceive that circumstances in far flung parts of the world pose significant, if not imminent, threats to our security, then there are a great deal broader set of policies for effective policy responses, and perhaps an additional increment of political will to proceed along some of the lines that are outlined so eloquently in your report.

Thank you.

MR. RADELET: Thank you, Susan, for bringing in some issues that hadn't been touched on before. We have a lot of issues on the table. We're going to take another 15, 20 minutes or so, and open this up for some discussion and questions. I guess I might start with you, Madame Ogata, and wonder if you have any reactions or responses to some of the issues that have been brought up by our speakers on this panel.

MRS. OGATA: Thank you very much. I would say, yes. Each one related to an aspect of the report, and it just opened up our thinking. And this I appreciate very much. The report is to have impact on three different areas. One is security issues; another is development issues; and the third one is aid issues, I think. By security, I mean, as Susan has said, each one, each state has to have a security plan and program, budgeting, and so on.

But one of the issues that we were trying to raise is hard security, military, and so on, with what you might call soft security, people, communities, NGOs, and so on. There has to be some complementarity. And where is the appropriate complementarity? I would like to see the states examine this. And this is why high cost on military: is that in balance with what you're spending on your medical care?

That kind of thing, I think, without our indicating you are unbalanced or something, is an area that further examination is possible and most welcome, as coming out of this human security report. Now, all the questions about development, I mean, development, I don't mean of developing countries. How is your own state structured? Is it really divided adequately among the resources within the country?

And this is something that I think usually international reports don't touch on. But I was told that this one has some kind of a new global model, modeling impact, because you're asking for the way countries domestically organize yourselves in terms of people's human security -- is a new way of broaching global models. I hope this is an interesting aspect to think about, but especially on aid policy.

And this is where I think, John, you have asked -- there was an NGO civil society revolt, or almost, that we're trying to get much more funds from the state. And then, the state, in turn, is beginning to invest so much on civil society, and the NGOs, and so on, that it was not really bringing the right balance between the -- did I understand that correctly?

And in which case, what kind of reciprocity measuring can you make? I mean, when I was in Japan, I was suggesting, at least insisting to the aid people that aid is between -- the memorandum of understanding is between the government of the recipient country and the government of the donor country. But even if you maintain that format, there has to be much more involvement in the society, in the needs of the developing countries receiving, in a way that your aid would reach at least some level lower than the state.

Now, this was something that I think Japan has to review, because it's much more formalistic in this -- aid is to be given to the state. But when you made that suggestion of, how do you measure a country where there is a better reciprocity between the state and the society, how do you go about that? I wasn't quite sure, and I would very much like to know more about that.

Is it the provincial government? Are there ways of doing this? This was one thing. And Roberta, your thing about the internally displaced, and who does what, and the unpredictability, depresses me, because we thought we moved quite a bit in realistic terms during the big Balkan crisis. We had to deal with people whether they were across border or inside borders, and this worked.

And then, there was the cross-border operations that we -- and, I mean, if you try to neatly divide people according to categories, you leave out the internally displaced, you leave out affected society people, and that has reverse impact on protecting refugees, and so on. I don't know where it is now, because I'm not following, but it depressed me. That's what I have to say.

[Laughter.]

Because how can you go backwards [rather] than forward? And I think the whole question, how do you deal with domestic politics where there is a foreign bureau, is a very serious one. And I think it's almost incorrigible in a democratic society. So you have to really go around redefining, what is a democratic process? And that is something that, if you're thinking is stimulated from a report like this, I would welcome.

But it's very, very interesting to hear the various inputs and reactions that you gave. Patrick is not here, but would the United States be willing to call its security policy in terms of human security? I don't know, but I would liked to have had asked him. Because he said it's a lot of convergence, but there are differences too, and whether they would be willing to call U.S. security policy human security-centered, or military security-centered, it's a rather important difference.

MR. RADELET: Great. Thank you for those reactions. John, I don't know if you want to follow up on the question that she raised.

MR. PRENDERGAST: I think, just to put a finer point on it, the preponderance of aid, oh, into the zones, into peripheral zones, is in the form of humanitarian assistance and sort of softer development assistance, the outer zones of development assistance, the primary healthcare assistance, and sometimes primary education, and maybe, sometimes, small inputs, seeds and tools packages, things like that.

Well, increasingly, over the last 15 years, in my judgment, you've seen new models of aid provision proliferate. And it's become easier within the explosion of international NGOs descending on these places like vultures, and with all the best intentions, it's become much easier to bypass problematic state capacity, with all of its vested interest, and its bureaucracy, and its corruption, and just DIY, do it yourself, just subcontract the capacities of social service welfare provision outside of state structures.

And I think this is highly damaging. It reinforces the predatory nature of governments all over Africa -- I can only speak that far. And I think what's needed is much more work, and it is real hard work. Because as a former relief person, I know you've got to go on just endless meeting, trying to bring together the private sector and public sector capacities, on a daily basis, to try to make partnerships work, so that you're building state capacity rather than balkanizing it, and leading and reinforcing it.

So that's the basic point.

MR. RADELET: Thanks, John.

Kathleen?

MS. KATHLEEN NEWLAND: Thank you very much. With all these fascinating issues on the table, I can't help putting one more, which, of course, has already been mentioned in the overview of the report and some of the other comments. But I was so really thrilled to see a movement of people included in the agenda of this

report, because it has been so neglected, generally, in discussions about development and security.

That's changing a little bit now. But it strikes me that we have so much farther to go in this area in terms of reaching international consensus. Of all the issues that are focused on in this report, there's less consensus about migration, even among the idealists, I think, in the policy community. We can all agree that we want less violent conflict, more post-conflict reconstruction, less economic insecurity, better health, more knowledge.

But it's really difficult to get a room full of people who are likeminded even on those issues to agree on what direction for migration, what direction for international migration actions. As the report mentions, international coordination today is very much about restriction. There is a coordinated effort, I would posit, to undermine the 1951 convention, or at least tendencies in that direction, which coexist with the rhetoric supporting it.

There's movement and recalcitrance, as Robert described, on internally displaced people. There is a convention on migrant workers, which took 12 years to achieve 20 ratifications, or not even ratifications, but 20 accessions, and still, I believe that it's not formally enforced. So I think in terms of the policy agenda that this is, I would posit, is the one where the most groundwork really remains to be done, despite the enormous potential of migration for raising incomes, and so on.

In fact, though Susan Rice said, you know, that liberalization of agriculture would have the biggest bang for the buck, any theoretical economist would tell you that the benefits of liberalization are proportional to the disparity. And if you look at wage disparities, the benefits for migration are multiples of the benefits from any kind of further trade or liberalization, or liberalization of capital movements.

But the political aspects of migration are as formidable as the political aspects of conflict resolution, and proceeding from a much less firm international consensus. So I applaud the commissioners for drawing attention to this. I think the recommendations amount, primarily, to further study, or further consensus building, which I think is exactly what is needed before there can be much movement on this.

And I continually ask myself, "Why is it so difficult to get movement on international migration?" And I suspect that one of the reasons, on all of these issues the commission talks about, empowering people and protecting people. And migration is one of the ways in which people empower and protect themselves. And that, I think, is one of the reasons that it has entered much less into the mainstream of policy discussion, because it's much more about self help, and in a way that many states perceive as threatening to their own control and their own interests.

So I welcome the commission's attention to this and look forward to working with you on consolidating at least some of the common language and assumptions to get a start on building a firmer consensus.

MR. RADELET: Peter Heller?

MR. PETER HELLER: Yeah, I was struck by the themes that arose among many speakers about how we really don't have a good approach to dealing with states that are post-conflict, where governance and corruption problems are there. It's easy for the MCA type sample, but we really are -- I mean, there was an interesting statement that came out of the World Bank, somebody at the World Bank yesterday.

As a footnote, there's nobody here from the World Bank, which is interesting. But there was an interesting statement at the World Bank yesterday --

MS: [Off-mike and inaudible.]

MR. HELLER: What? Yeah. There was an interesting statement yesterday that they were going to focus their energies on countries that were doing well, where governance was good -- it's very much like the MCA -- and that they were going to really diminish their involvement in countries that aren't really, you know, putting out. And yet, those are precisely the countries that we're talking about, in many cases.

And in a way, from what you were saying, in a way, they're states where what you're saying is, perhaps, to be expected, given their state of development, and in a way, it would inevitably be a stage of transition. And so, I think it's a challenge for my institution, for the World Bank, for all of us to try and figure out -- and what you were saying was fascinating, about, you know, you try and bypass the state in those situations, and yet that has its own seeds of danger.

So I think that is an enormous challenge, that we're all kind of -- don't have a good answer for yet. But in my institution, I can see the temptation to say, well, if they're corrupt, or they're not going a very good job in managing their economy, we're just not going to spend much time with them. We'll talk to them, but no money, no involvement, and that's -- when they get their act together, we'll talk more.

MR. RADELET: Just to follow up on that point for just a minute, because I think it is absolutely critical, and it's something that I've thought about a lot over the last year in the context of the Millennium Challenge Accounts. Great program for countries that qualify, and it's the positive side of the discussion about aid is most effective in countries with good institutions and policies. The positive side of that is, let's identify those countries, provide more aid, give them more flexibility -- that's great.

But the negative side is the much tougher, which no one has really wrestled with: in the countries that don't make the grade, how do we think about that? And John raises the issue of the kind of negative cycle. When you have bad governments, the aid goes to

the NGOs, and that reinforces the bad governments, makes it worse, and it's a downward cycle. But I don't know what the implication of that is.

The implication can't really be, well, let's provide the aid back to the government. That doesn't work. But continuing to just go through the NGOs, that presents its own problems. I guess it means something about, at least in the short run, providing assistance through NGOs, through civil society, but at the same time, having some sort of strategy to build up the institutional strength within the governments, not just to abandon the state and go through the NGOs, but to have some yet undefined strategy to work on building the institutional capacity in the state.

I don't know. But those are the strategies in those places that are completely undefined, and we don't have very good strategies at all.

Yes?

MS: Thanks. I wish I had the answer to your question, Steve.

[Laughter.]

MS: But I just wanted to make two points. One is, I hate to do this, but I need to compliment the IMF. I mean, it's very difficult for me to do.

[Laughter.]

MS: Well, please, this is off the record, right? Yes. At least under Michel Camdessus when we were talking about debtor countries, and they were looking at review of budgets, there was a category called unproductive expenditures, and this was the, a.k.a., military expenditures. It was a way to address countries, especially developing countries, trying to qualify for debt relief.

How can we get them to reduce their expenditures on the military budget? And we knew that Uganda went off and bought some military planes just when they were supposed to get the HPIC initiative. That was really, really stupid of them. Anyway, I'm wondering if the IMF continues with this language when you do surveillance of the developed countries, if you look at the unproductive expenditures within the G8, for example.

I think that would be an extremely useful category. We would be spending a billion dollars a day just sitting in Iraq, according to Susan Rice. Another item with regard to NGOs and southern governments, I know that there's tremendous animosity between NGOs and southern governments. Actually, in a group called New Rules for Global Finance, we've been having some fun working with southern governments.

Prior to the Financing for Development Conference, we had an all day meeting with the G77 up in New York, and we said, "Okay, so we dislike each other. But putting

that aside, what's our common agenda?" And we came up with a full platform of common agenda for the Financing for Development Conference. Some of our members, Aldo Caliari from Center of Concern, sat up all night, did a basic markup of the text for negotiations, and put in our common language, and that became the G77 negotiating document.

So we can have common ground. Similarly, we're finding, in negotiations with the WTO, where we're working, as OXFAM, we're working on agricultural subsidies, U.S. and European. We're bashing both. In the U.S., we call it export credit. And also, regrettably, some portion of our food aid programs are de facto dumping mechanisms.

In any event, with agriculture and also with intellectual property rights issues, we are working very closely with developing country governments. Right now, the government of Brazil, plus four African countries, have brought a suit against the United States for the subsidies policy that the U.S. government has on cotton. And the U.S., OXFAM America, we did the research on the policies, and the UK did research, and so it's very much a collaborative effort.

And we find that whereas in the old days, we had a boomerang on human rights -- and Roberta knows this well -- where you complained about violations in Uruguay, and you told the U.S. government in the hopes of influencing the Uruguayan government -- we now have reverse boomerang. We cannot influence the USTR and U.S. trade negotiating policies. You have FARMA to do that. So, instead, we're trying to collaborate with developing country governments to hold firm on their intellectual property rights positions, to leverage the U.S. government. So it's from developing the northern NGOs to the southern governments, trying to leverage the U.S. government. So I think these are some mechanisms, maybe, to build some credibility with developing country governments.

It's not necessarily the governments where there's the highest rate of conflict, but certainly, we're trying to build a track record, and I think that we can make some progress and some more innovative approaches.

MR. RADELET: Other comments, questions, anything else to wrap up? We've gone well over time. Lots of issues on the table, but we have lunch, during which we can, more informally, continue to discuss these -- grab the person that you really want to talk with more, and have some lunch.

MS. : Maybe I could just say one word. Yeah, lunch is in the room right next door here. I just wanted to say a word of thanks to the UN commission team for coming and presenting the report.

MRS. OGATA: Thank you very much. It's not the U.N. commission. It is an independent commission.

MS. : Sorry. I know it's an independent commission; I phrased it wrong….

MRS. OGATA: And that's rather important.

MS. : But also a very important word of thanks to Maggie Kozak and Shannon Lee, who assisted her, in pulling this off, literally, single handedly, double handedly. A tremendous amount of work went into it behind the scenes, and thank you to both of you.

[End of Session.]