

Introduction

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From 2006 to 2011 the Wolfensohn Center for Development at the Brookings Institution sought to help identify effective solutions to key development challenges in order to create a more prosperous and stable world. Founded by James and Elaine Wolfensohn, the Center's mission was to "to create knowledge that leads to action with real, scaled-up, and lasting development impact." Now, some six years after the Center has completed its work, this current volume reviews achievements and the Wolfensohn Center's lasting legacy. Combining highlights of research with contemporary reflections on how this research agenda has evolved, *The Imperative of Development* reflects on the origins, evolution, and impact of Brookings's first home of development research.

When the Wolfensohn Center was initially conceived, in late 2005 and early 2006, the world looked very different than it does today. In many ways it was a time of optimism in the international development community. In the summer of 2005 the G-7—the grouping of the world's largest economies—had met in Gleneagles, Scotland, and promised to double aid to Africa by 2010. International civil society campaigns, such as Make Poverty History, had helped bring more popular attention to the challenge of global poverty than ever before, generating new momentum for both government and citizen actions. In the United

States, the George W. Bush administration was in the process of scaling up the President's Emergency Plan for AIDS Relief, or PEPFAR, launched in 2003 and the largest global health initiative dedicated to a single disease. Through the work of the United Nations, countries were coalescing around the Millennium Development Goals (MDGs) as a vision of transformative economic and social development.

Moreover, the development community was also beginning to get more serious about aid effectiveness and measurement of results, ensuring international assistance was driven not only by soft hearts but also hard heads. In February 2005 members of the Organization for Economic Cooperation and Development's Development Assistance Committee, the primary bilateral aid agencies, had signed the Paris Declaration on Aid Effectiveness, committing themselves to improve their aid delivery systems to maximize the impact of every dollar spent. Monitoring and evaluation efforts were gaining traction, and rigorous impact evaluations were increasingly helping shape budgets and agendas.

At the same time, tectonic shifts in the global economy were fundamentally restructuring international economic and political relations. Jim O'Neill of Goldman Sachs had coined the term "BRICs" a few years earlier, designating the rising economies of Brazil, Russia, India, and China. These so-called emerging economies were the darlings of investment asset managers around the globe, even as most politicians and pundits had yet to fully reckon with how much they could disrupt long-existing patterns in the world economy.

For the Wolfensohn family this was also a period of transition. After a long and successful career as an investment banker, James Wolfensohn completed ten years at the helm of the World Bank in 2005; at the time he was only the third World Bank president to serve more than one term. He then spent a year as the special envoy to the Middle East for the Quartet—the diplomatic grouping of the United States, European Union, Russia, and the United Nations—charged with advancing the peace process between the Israelis and Palestinians, and in particular trying to catalyze growth in the Gazan economy. After more than a decade in such high-profile and demanding international finance and diplomacy roles, James and his wife, Elaine, wanted a less stressful and chaotic life. But both also knew that their commitment to public service, and in particular to the interlinked challenges of global prosperity and stability, had not diminished. The Wolfensohns thus sought a new venture for channeling their efforts to help spur transformative and sustainable development.

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They decided that one way they could do so was by helping to create a new research center specifically focused on the imperative of development. Given that Mr. Wolfensohn had just come from running a development institution with a staff of thousands and annual disbursements of around \$23 billion, this was perhaps a curious choice. In a development landscape driven by big players such as the World Bank, USAID, the Gates Foundation, and others, what role was there for a small research center with just a handful of senior scholars?

Yet his time at the Bank had helped convince Mr. Wolfensohn that there were a number of crucial contributions research institutes and think tanks could make to the development community. Of course, such centers would not have the same direct influence as larger players disbursing grants or setting policies, but it was precisely this independence from funding agencies and policymakers that allowed research institutes to have impact. Independent research centers could be more nimble and define their own research agenda, helping bring innovative new ideas into development discussions. Moreover, since it would not be directly connected to a government or international institution, and without any specified ideological commitments beyond an interest in the fates of the world's poorest people, a new research center focused on development could avoid some of the politicized debates that took place in other contexts. It could be a constructive outside analyst and critic, informing and prodding officials and policymakers in both rich and poor countries to do better in promoting a stable and prosperous world. And it could play a valuable convening role, as a place for different stakeholders to come together and discuss and debate potentially contentious issues in a neutral environment.

For the Wolfensohns, the Brookings Institution was the logical organization to partner with to build such a center. Mr. Wolfensohn knew Brookings well, having served on its Board of Trustees since 1983. By embedding the new Center in an established institution, rather than creating a new organization from scratch, the Wolfensohn Center for Development could draw on Brookings's extensive network, reputation, and convening power, as well as its back-office capabilities. This would allow the Center to have a more immediate and wide-ranging impact.

Meanwhile from Brookings's point of view, the proposed Wolfensohn Center would allow the think tank to significantly advance its nascent research agenda on the world economy and international development. Historically Brookings had focused on the United States' economy, foreign policy, and governance, but

in the mid-2000s, under the leadership of President Strobe Talbott, Brookings was in the midst of further internationalizing its outlook. In early 2006 it launched a new major research program called Global Economy and Development, headed by Vice President Lael Brainard. This program would become Brookings's home for analysis on international trade and finance, and it was looking to strengthen its emphasis on international development. The Wolfensohns' proposed initiative would be a perfect fit.

With a \$10 million, five-year commitment from James and Elaine Wolfensohn, the Wolfensohn Center for Development officially opened in July 2006, with a skeletal staff of four.¹ From the beginning, the Center's overarching objective was to identify pressing challenges in international development that (a) would significantly influence development outcomes over the next five to ten years; (b) were currently being under-researched by the academic and think tank community; and (c) offered opportunities for the Center's scholars to transform research into impact. The Wolfensohns worked with the Center's research staff to identify six principal topics that met these criteria.

The first issue that emerged as a priority research topic was the shifting structure of the world economy in the twenty-first century, and in particular the increasing importance of developing and emerging economies. At the heart of this work was a recognition that long-standing patterns of the global economy, where a small group of rich countries dominated global production and wealth and a large group of poor countries languished on the periphery, were breaking down. Instead, the global economy seemed to be splitting into what Mr. Wolfensohn and the Center's scholars saw as a "four-speed world," divided between affluent countries, quickly growing emerging economies, countries stuck at middle-income levels, and the poorest countries beset by low productivity, conflict, and corruption. Whereas the twentieth century had been shaped by the growing divide between developed and developing countries, the twenty-first century would be defined by the interactions and interdependencies of these four groups of countries. Chapter 2 of this book discusses the Center's work on the shifting structure of the world economy and includes a memo by James Wolfensohn, written for the incoming Barack Obama administration on the implications of this four-speed-world framework for international development, trade, governance, and security, as well as an op-ed for Project Syndicate on the emerging global order.

A second key research topic for the Center was the challenge of scaling up

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the impact of development interventions. While a growing interest in the monitoring and evaluation of development programs was helping scholars and practitioners identify successful projects, too often these successful pilots were not then expanded and implemented at scale. Projects were reaching hundreds or thousands of beneficiaries, instead of the millions who were in need. To have real impact, development interventions needed to be scaled up. The Wolfensohn Center worked to develop an analytical framework for understanding how to expand, replicate, adapt, and sustain successful policies and programs in space and over time. This work focused on the political and organizational leadership required to ensure that scaling up was at the core of development efforts. Chapter 3 presents an overview of the Center's research and analysis on scaling up and includes the introductory chapter from the Brookings book *Getting to Scale*.

A third issue the Center focused on, related to the question of scaling up, was the need to improve the effectiveness of official development assistance (ODA). While there had long been a debate about increasing the overall *quantity* of aid spending—with countries striving, and mostly failing, to meet the international target of 0.7 percent of gross national income—new attention was being paid to the *quality* of aid, or how to get the greatest impact for each dollar. The development assistance landscape was becoming increasingly complex and crowded, with new donors, private philanthropists, mushrooming multilateral agencies, and traditional bilateral aid donors all operating alongside one another, raising the likelihood of costly overlap and waste. By the Center's estimates, of every \$100 spent on aid in rich countries, only \$19 finally made it to intended beneficiaries in poor countries. Chapter 4 examines the Center's research and impact on the issue of development effectiveness and includes a policy brief on measuring the quality of development aid and the introductory chapter of the book *Catalyzing Development*, originally produced by the Center to inform the Fourth High-Level Panel on Aid Effectiveness held in Busan, South Korea, in 2011.

A fourth issue the Center prioritized was the urgent need to provide jobs and opportunities for Middle Eastern youth. From his time as special envoy for the Quartet, Mr. Wolfensohn had gained an acute appreciation of this crucial challenge, given that almost two-thirds of the region's population is under the age of thirty. As youth transitioned into adulthood, many struggled to find well-paying jobs and a meaningful role in society. Working with partners in

the region, the Center launched the Middle East Youth Initiative, a program devoted to studying social and economic exclusion of young people across the Middle East and North Africa. In many ways this research anticipated the forces and drivers that lay behind the “Arab Spring” revolutions of 2010–11, when populations across the region took to the streets to express their economic, social, and political grievances. Chapter 5 discusses the Center’s work on Middle East youth and includes the introductory chapter of the book *Generation in Waiting*, an edited volume addressing the challenges of youth exclusion; the book was published just prior to the Arab Spring and played a crucial role in explaining the socioeconomic contexts of these protests that shocked the world. The chapter also includes a policy brief on how public sector employment policies in Syria hindered the country’s transition to a market economy.

The fifth big topic the Center worked on was Early Child Development (ECD). This research focused on how investments made in health, nutrition, and education during the early years of a child’s life, before the age of five, have crucial long-lasting impacts on life trajectories. Much of this work focused on convincing policymakers that spending on young children’s development is, in the long run, an extremely cost-effective investment. This emerged as a priority issue for both James and Elaine Wolfensohn, and the two were tireless advocates for ECD in countless meetings with policymakers, private sector leaders, and nongovernmental organizations (NGOs) around the world. Building on the Center’s established expertise in scaling up, research on ECD focused on how to take small, successful pilot early child programs and roll them out at a national level. To this end, the Center commissioned a series of working papers of country case studies in developing national ECD programs. Chapter 6 details the Center’s research and advocacy in this area and includes an excerpt from a country case study on South Africa’s pioneering ECD program.

The sixth and final major research topic of the Wolfensohn Center was global governance and reform of the multilateral system. The governance structures of the key international institutions of the global economy—including the G-7, the World Bank and IMF, and the United Nations—revealed their post-WWII origins, and by the early 2000s these structures were becoming increasingly ill-fitted to reality. These institutions needed to be updated to reflect changes in the world, especially with the rise of emerging economies. The Center’s scholars spent many years making the case for reforming international institutions, explaining why such modernization was necessary to preserve

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their legitimacy and efficiency. In particular, the Center was an early advocate for replacing the more restrictive and limited G-8 grouping with a G-20 leaders' forum, a transformation finally achieved in late 2008, in the wake of the global financial crisis. Chapter 7 of this book examines the Wolfensohn Center's work on global governance reform and includes the concluding chapter from a 2007 edited volume on global governance reform, an op-ed written by James Wolfensohn for the *Washington Post* on the eve of the first G-20 leaders forum, and a policy brief on the future of global economic governance after the financial crisis.

In keeping with its mission, in all six of these research areas the Center persistently sought to bridge the gap between development theory and practice. In some instances this meant working directly with development agencies and practitioners; for example, the Center partnered closely with the International Fund for Agricultural Development (IFAD) to help it scale up programming; with the Korean official development agency, to improve aid effectiveness and prepare for the Fourth High-Level Forum on Aid Effectiveness at Busan; and with G-20 sherpas for the United Kingdom and South Korea, to help them prepare for the early G-20 summits. More generally, however, this meant engaging with key stakeholders—including politicians, international organizations, businesses, NGOs, and the media—to broaden the reach of the Center's research. Throughout this book, we highlight how and where the Center built and leveraged these partnerships to help translate research and analysis into concrete action.

This book is not designed to be an exhaustive anthology of research from the Wolfensohn Center at Brookings. Rather, its goal is, with the benefit of hindsight and some years' distance from the immediate day-to-day demands and stresses, to reflect back on the broader impact and legacy of the Center. In each chapter, a scholar associated with the particular research stream provides an overview of the issue and its broader context, before describing the Center's work on the topic and the influence and impact of these efforts in the years since. This book chronicles the growth and expansion of the first center for development research in Brookings's one-hundred-year history and traces how the seeds of this initiative continue to bear fruit. It serves as an example of the constructive role a small research center can play, even in a crowded development landscape.