Shared and Sustained Development in an Interdependent World

Main Messages

The United States should continue to provide global leadership in support of what developing countries are doing to provide jobs for their youth populations and maintain progress against hunger and poverty.

The United States can strengthen its assistance with increased emphasis on agriculture and nutrition, social protection, fragile contexts, gender equality, and climate resilience.

Hunger and poverty have become increasingly concentrated in conflict-affected, fragile countries. U.S. development and humanitarian assistance are tools to help reduce conflict and enable people to build resilience.
Hunger and Jobs in Developing Countries

Hundreds of millions of people in developing countries are struggling with hunger and poverty that is much more severe than hunger and poverty in the United States and other industrialized countries. But most developing countries have made remarkable progress against hunger and poverty in recent decades, mainly because they have also achieved rapid economic growth and broad increases in earned income. Some of these gains have been due to their integration into the increasingly interconnected global economy.

International development assistance has also been important, especially in low-income developing countries. In the first chapter, we discussed the negative effects of the competition from low-wage economies on some U.S. communities and wages among low-income U.S. workers. But these are problems that U.S. policies can—and should—rectify. In general, economic progress in the industrialized and developing countries is mutually reinforcing. Developing countries are the fastest growing market for U.S. exports.

Increasing U.S. protectionism—imposing more restrictions on trade—would produce a situation where no one wins. U.S. trading partners facing higher trade barriers that make their products less competitive would be very likely to retaliate by enacting their own import barriers. U.S. consumers would have to pay higher prices for imported goods, and retaliatory tariffs on U.S. exports would make U.S. products less competitive overseas and therefore cost U.S. jobs.

Protectionist policies pose a bigger threat to U.S. economic growth now than in the past, because trade makes up nearly 30 percent of the U.S. gross domestic product, compared to less than 10 percent in the 1960s.1 In 2014, an estimated 41 million U.S. jobs—more than one in five—were dependent on international trade.2 Trade will become even more important in years to come, since 95 percent of the world’s consumers live outside the United States.3 Both the global economy and the U.S customer base have changed dramatically as well. U.S. foreign trade was mainly with other high-income countries 50 years ago. Today, most U.S. trade is with middle- and low-income countries.

The United States also has global security motives for continued leadership on global development issues. Economic and social progress contributes to peace, and it’s a lot less expensive to foster healthy development than to wage war.

Most importantly, promoting better lives for people everywhere is the right thing to do. Helping developing countries overcome hunger, extreme poverty, and curable diseases is a moral obligation and opportunity.

“In today’s world, defending the dignity of work is an uphill struggle,” says Juan Somavia, former head of the International Labor Organization.4 But the common humanity of workers everywhere should be the basis for a global jobs agenda that is fair and respectful to all.

Wanted: 1.6 Billion Jobs

A survey that attracted nearly 10 million respondents in 190 countries asked: “What do you and your country need to develop to your full potential?” The top answers were better job opportunities, a good education, and better health care.5 These are shared human concerns.

Being out of work is one of the main reasons people everywhere end up living with poverty and hunger. The need for jobs and livelihoods is even more urgent in developing countries, which typically have higher unemployment rates and significantly younger populations. According to the World Bank, an additional 1.6 billion jobs will need to be created over the next 15 years to absorb the rising numbers of young people entering the labor force, most of them in sub-Saharan Africa and South Asia.6

The International Development Association (IDA) is the arm of the World Bank that provides grants and concessional loans to the world’s lowest-income countries. Currently there are 77 IDA countries.

In the most recent discussions about replenishing IDA’s resources and using the resources as effectively as possible, jobs took center stage.
To Be Productive, Future Workers Need Good Early Nutrition

By Jordan Teague

Maternal and child nutrition in the “1,000 days” between a woman’s pregnancy and her child’s second birthday are critical to the child’s future human and economic potential. Children who do not have the right nutrition in their earliest years can suffer irreversible effects such as stunting. Stunted children stand out because they are extremely short, but it’s the invisible damage that is most important—lifelong poorer health and disrupted cognitive development.

Early malnutrition hampers children’s ability to grow, to learn, and ultimately to earn a living. A Guatemalan study found, for example, that people who were well-nourished as children earn up to 46 percent more money in their lifetimes than those who were stunted. Stunting works against people’s efforts to be self-reliant and lift themselves out of poverty.

Children who are stunted at age 2 will go on to complete nearly a year less education than those who are not. Children who are stunted at 2 also have lower test scores and are more likely to live in poverty later in life.

Stunting is not the only form of malnutrition that impacts work performance and productivity. Anemia, for example, affects 500 million women of reproductive age worldwide, causing fatigue and lethargy and impairing physical ability and work capacity.

World Bank President Jim Yong Kim put it clearly: “Of all our investments in infrastructure, I believe that investments in ‘grey matter infrastructure’ could be the most important of all... Many of us have been saying with great conviction that we believe in equal opportunity for all—but that’s an empty slogan if a country has 45 percent of its children who are stunted.”

Malnutrition is clearly a tragedy for individuals and their families. Moreover, in many countries, anywhere from a third to half of all children are stunted—with clear impacts on the country’s economy and growth potential. Every year, malnutrition costs countries in sub-Saharan Africa and South Asia an average of 11 to 12 percent of their gross domestic product. Conversely, a study in 15 African countries showed that reducing stunting by 40 percent would add $83 billion to their national incomes.

The good news, then, is that inexpensive, effective nutrition interventions have the potential to generate huge economic rewards. In generation after generation, sufficient nutritious food helps to improve human health and well-being, enable children to reap the rewards of education, and develop a more productive population. Maternal and child nutrition is a necessary investment in human infrastructure and human capacity—an investment to help create decent and dignified work, greater opportunities, and increased national economic growth.

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The focus at the IDA meetings, wrote World Bank senior economist Thomas Farole, was on “how to deliver more jobs to meet the demands of a growing youth population; how best to improve job quality, particularly for the clear majority of workers in IDA countries who struggle in subsistence-level self-employment and other forms of informal employment; and how to make jobs more inclusive to women, youth, and populations in remote and lagging regions. Jobs will increasingly become the focus and measure of what we do—it will be a critical outcome in its own right rather than simply an assumed derivative of growth.”

Until relatively recently, the wider global community was less concerned about job creation, specifically, than the governments of countries with fast-growing youth populations. As Farole said, the assumption was that economic growth would automatically create jobs. But not all countries have had robust economic growth, and even among those that have, enough jobs to meet the needs have not always materialized.

Development, which seeks to enable people to build better futures for themselves, must be one of the three pillars of U.S. foreign policy, alongside defense and diplomacy. Senior military leaders understand this and they have supported funding for both diplomacy and development. In 2017, for example, 121 retired senior generals wrote to Congress to oppose proposed funding cuts. In addition to military strength to fight terrorism, they wrote, the United States needs “strong civilian partners in the battle against the drivers of extremism—lack of opportunity, insecurity, injustice, and hopelessness.”

Putting an End to Hunger: Deadline 2030

Ending hunger will not be easy, but it can be done. Fifty years ago, one in three people in the world was chronically hungry. Today, the rate has been cut to one in nine. Progress on this scale is unparalleled in human history.

What made such impressive victories possible? One important catalyst was the Millennium Development Goals (MDGs). Adopted in 2000 by 189 countries, the eight MDGs focused on developing countries and included targets of cutting hunger and extreme poverty in half by 2015. With 1990 as the baseline, the world met the extreme poverty target five years ahead of schedule, and fell short of the goal of cutting hunger in half by just one percentage point.

The MDGs were also important for their demonstration of the power of “political will”—or simply deciding to do what is necessary to achieve a goal. When the MDG years ended in 2015, the world established the Sustainable Development Goals (SDGs) for the years 2015-2030. As we see in Figure 5.1, the SDGs are an expansion of the MDGs. The SDGs are the product of extensive input from ordinary citizens, civil society, and local and national governments all over the world. They are rooted in principles such as “leave no one behind” and “reach the furthest behind first.” And finally, the SDGs envision the United States and every other country making progress no matter where our respective starting points may be.

SDG 2 calls for ending hunger and malnutrition in all its forms—which seems feasible after the progress under the MDGs in almost halving it. But what does “ending hunger” mean? No one can promise that there will never
be a situation—for example, a natural disaster—when large groups of people are hungry. There is a huge difference, however, between that and the current situation, when, for example, 3 million children younger than 5 die of malnutrition-related causes every year.

Ending hunger requires ending chronic hunger—hunger caused by poverty that can and sometimes does affect people for their entire lives. It also requires ending widespread vulnerability to hunger—situations where there is no “Plan B.” If someone is injured and cannot work, she and her family need some form of social protection to keep from going hungry. If people are trapped after an earthquake, they need an effective emergency response system.

**Conflict Fuels Hunger**

Anyone who followed the news in 2017 knows that it was one of the worst years in decades for hunger emergencies. The suffering of those caught in conditions of famine and near-famine is almost unimaginable. In the most affected countries—Somalia, South Sudan, Yemen, and northeastern Nigeria—more than 20 million people altogether spent the year at risk of starvation. The hunger crises in these countries are one of the main reasons the global hunger rate increased from 10.6 percent to 11 percent between 2015 and 2016. In addition, some neighboring countries had significant populations in need of emergency humanitarian assistance.

Countries embroiled in armed conflict are home to a majority of the world’s remaining hungry people (see Figure 5.2). At best, these countries made little or no progress against hunger in the MDG era; in some cases, hunger rose dramatically.

Of the 815 million people who were hungry in 2016, 489 million—60 percent—were living in a conflict-affected country or one that is fragile. Resolving violent conflicts and building a durable peace would go a very long way toward SDG2, ending hunger and all forms of malnutrition by 2030. But instead, there has been a sharp increase in the number of conflicts since 2010 (see Figure 5.3).

Hunger among people in delicate post-conflict situations, where peace is not yet assured, significantly increases the risk that fighting will flare up again. The reverse is also true: efforts to reduce hunger in such conflict-affected countries contribute to peace.

Fragility and its relationship to hunger was the subject of our 2017 Hunger Report, *Fragile Environments, Resilient*
Communities. In it, we discuss three main factors that can make a country fragile—conflict, climate change, and ineffective governance. Climate change has made poor communities even more vulnerable than before to shocks beyond their control. Among its effects are unpredictable weather, drought, flooding, and changes in the nutrient content of the soil. Moreover, these often go on to cause further problems, such as a surge in food prices after a failed harvest. When events such as these are combined with conflict, an entire population can face a hunger crisis.

The conflict in Syria, which has produced the largest flow of refugees since World War II, broke out against the backdrop of a devastating drought that lasted from 2006 until 2010. A wave of migration from rural areas into cities fanned the flames of longstanding political grievances, exacerbated by the Syrian government’s ineffectual response to the hunger crisis caused by the drought.14

While the majority of the world’s hungry people continue to live in rural areas, drought and other conditions associated with climate change are increasing the pace of urbanization. People who can no longer rely on their farms to support themselves arrive in the cities in search of jobs, but most find only crowded conditions and a lack of opportunity.

How can the United States and the rest of the international community best support people in conflict-affected or fragile countries as they try to rebuild their lives and work toward their nation’s recovery?

For humanitarian efforts to be effective, certain essential conditions need to be in place. The as-yet-uncounted deaths from the 2017 hunger crises were due to the absence of one, two, or all three of these: sufficient funding, the arrival of supplies and personnel in time to do the most good, and aid workers being allowed to reach those in need with essential supplies. By and large, aid workers have the knowledge and tools to save lives. The hard part is being able to use them.

In the past, international aid donors have tried to implement development projects—such as agricultural extension or programs to improve schooling—in conflict-affected and fragile countries. It seemed futile to try to improve livelihoods or make social improvements in such circumstances. But there are areas of stability even in South Sudan, where civil war has caused destruction on an almost unimaginable scale. Most development workers come from the communities they serve and do not want to leave. One possibility is to fund locally managed projects. The main risk is that the money could be diverted to weapons, but a development program’s budget would not be enough to fund much military equipment or activity.

Some promising approaches come from efforts to “break down silos” in the U.S. government and
work as a team. U.S. Agency for International Development (USAID) created a joint planning cell to bring together relief and development teams to better coordinate humanitarian and development assistance in the Horn of Africa. The “coherence” of U.S. foreign policy on fragile situations could be strengthened so that planning has the benefit of the knowledge and resources of the military, the State Department, and USAID. Since the U.S. government always makes U.S. interests a top priority, this kind of integrated thinking must also be done in independent organizations that make the well-being of suffering people their top priority.

It is important to remember that fragility is not a permanent state. Consider Nepal, which had a 10-year civil war but, during the first 10 years of the peace that followed, reduced its hunger rate by more than half. Vietnam, which 25 years ago was a nation shattered by war, has a burgeoning middle class, and its hunger rate is expected to decrease from the current 10 percent of the population to 2 percent within the next decade.

Even in a situation that looks hopeless, political leadership can make the difference. For example, when the MDGs were adopted in 2000, the HIV/AIDS pandemic was killing millions of people, many in their prime working and parenting years, across large areas of eastern and southern Africa. There was no end in sight. In response to the devastation, President George W. Bush established PEPFAR (the President’s Emergency Plan for AIDS Relief). At about the same time, medical research led to the release of a new line of treatment, antiretroviral medication, which is not a cure but can keep patients healthy and reduce their risk of transmitting HIV to others. Although some argued that antiretroviral medications were too expensive for widespread use in Africa, and were likely to remain so, PEPFAR prepared to expand its testing program and begin treating patients. It provided training and support for other donors and national governments, urging them to establish their own efforts to ensure access...
to antiretroviral medication or to contribute to existing efforts. Millions more people were tested for HIV once treatment was available for those who tested positive. Mother-to-newborn transmission was drastically reduced using outreach strategies and dedicated resources to ensure that HIV-positive pregnant women have access to a medication that effectively prevents transmission during childbirth. Among adults, HIV/AIDS is largely a manageable condition now.

Some countries with very high HIV rates—as many as 20 percent of all adults—are now among the world’s fastest-growing economies. Some are making steady progress against hunger and extreme poverty. U.S. leadership on the global HIV/AIDS pandemic, even beyond saving millions of lives, helped keep national and regional economies afloat when businesses and governments would otherwise have lost crippling numbers of their staff to the pandemic. Thus, one of the many positive outcomes that PEPFAR and other donor resources made possible was preserving jobs that enabled people to feed their families.

Postwar Nepal, postwar Vietnam, and a donor-led program to save the lives of HIV-positive people—all are reminders that fragility is not forever and that fragile and conflict-affected nations should not be written off.

Pathways Out of Hunger

Developing countries have forged various paths out of hunger and poverty.

China has led all nations in reducing poverty and hunger. Since 1980, more than 800 million Chinese have escaped from extreme poverty, and the poverty rate in China has fallen from around 90 percent to around 5 percent. No country in history has achieved such rapid progress. Hundreds of millions of people in other parts of the world have also managed to escape poverty.

Vietnam reduced hunger in large part by shifting workers from low-productivity agriculture to manufacturing and advanced services. In 1991, 76 percent of the Vietnamese workforce was in agriculture, but by 2013, agriculture’s share of the workforce was only about half that. The share of wage and salaried workers (the “formal sector”) rose significantly over the same time period. Vietnam’s manufacturing sector grew quickly from producing lower-priced goods such as textiles to becoming a major supplier of high-tech electronics for export. Other countries in East and Southeast Asia used a similar approach. Now, 90 percent of all manufactured goods exported from the developing world come from Asian countries.

How could Vietnam maintain its food production levels given the loss of half the agricultural workforce? The answer is that East and Southeast Asia modernized their agricultural sectors in conjunction with shifts toward manufacturing and other sectors. The phenomenon that made this possible was the Green Revolution. Between 1960 and 1990, cereal production quadrupled in East Asia and the Pacific. Countries that were once vulnerable to food shortages were soon producing surpluses. People who were no longer malnourished were more productive workers. Economists trace a straight line from the increases in agricultural productivity to the factory floor.

USAID was instrumental in launching the Green Revolution, supporting the work of the crop scientist and Nobel Peace laureate Dr. Norman Borlaug, considered the father of the Green Revolution. More recently, through its global food security initiative Feed the Future, USAID has led a renewed commitment to agricultural development.

The Green Revolution did not reach sub-Saharan Africa. In fact, in 2010, per capita cereal production was 13 percent lower than in 1960. Over the past 15 years, Africa has experienced steady economic growth, averaging around 5 percent annually. But this growth has been less effective in generating jobs and reducing hunger because it is driven largely by the sale of natural resources—whether diamonds, copper, oil, cobalt, or something else.

Resource-dependent economies do not need many workers or produce many jobs. They are also especially

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A Formal Challenge

Informal employment is a large and growing share of the global economy. A defining characteristic of an informal enterprise is that it is not registered with any government agency. In most developing countries, more than 50 percent of workers who are not farmers are part of the informal economy, and in the poorest countries this figure is higher. The economies of South Asia and Africa are powered by informal workers. The size of the informal sector has not changed much in some middle-income countries that have seen many years of strong growth. In India, for example, 90 percent of the workforce is in the informal sector.

Many informal workers in cities have migrated from rural areas; in fact, the term “informal sector” was coined in the early 1970s by a British anthropologist studying rural migrants in Ghana. Rapid urbanization is readily visible in the urban centers of developing countries. Young people leave the rural areas where they grew up because they see few prospects for employment. They reject the farm work they knew growing up, but may not end up better off financially in urban areas.

In rural areas, the largest number of informal workers are smallholder farmers, but there is a much wider range of informal jobs in urban areas. Street vendors are among the most visible, but many other people have home-based businesses such as tailoring or work in others’ homes as maids, babysitters, and other domestic “help.” Large numbers of urban informal workers actually work for formal businesses for wages—but they are paid “off the books.” Many of these people work in construction or transport.

Low earnings, long work hours, and unsafe working conditions characterize informal employment. Informal workers are not covered by minimum wage or occupational health and safety laws that apply to formal sector workers. They are vulnerable to shocks such as surges in commodity prices, crime, and harassment.

One school of thought views informal workers as entrepreneurs who choose to operate outside of a formal system to avoid paying taxes and submitting to regulations, but this seems far more applicable to developed countries. Another view is that informal employment is a survival strategy. Low-paying jobs in the formal sector lead many people to use the informal sector as a supplement to their main income, and workers who lose their jobs in the formal sector often turn to the informal sector as a safety net. Some informal workers have a combination of “entrepreneur” and “survival” motivations.
vulnerable to boom and bust cycles, depending on the price of the main natural resource export.

Zambia, in southern Africa, typifies the challenges facing economies that are resource-dependent. The national economy grew rapidly between 2000 and 2014, with an average growth rate of more than 7 percent annually, but this growth has been driven mainly by copper exports. Meanwhile, employment grew at only 2.8 percent, scarcely enough to keep pace with the working-age population.

Sixty percent of Zambian workers are in agriculture; in rural areas, this figure approaches 80 percent. Agricultural productivity has been stagnant for years, helping to explain why more than half the population lives in poverty.

Zambia has one of the fastest growing youth populations. By mid-century, Zambia’s population is expected to reach 42 million, about 250 percent of the current figure of 16.6 million. The World Bank reports that from now through 2030, an average of 375,000 Zambian youth will be entering the workforce each year. That is more than three times the current rate of job growth. Between 2030 and 2050, this average is projected to be 750,000 per year.

Infrastructure development is a crucial part of creating jobs and laying a foundation for economic growth, in developing countries as in the United States. The Millennium Challenge Corporation (MCC), a separate U.S. development agency, provides large-scale grants, or compacts, designed by national governments in close consultation with local civil society groups. The MCC has set eligibility criteria for applicant governments, with scores in such areas as investing in people and combating corruption. Since the MCC was established in 2003, most of its aid has been used to address core infrastructure deficits.

Finally, the spread of technology—particularly cellphones and other communications devices—has been an important pathway out of poverty. Mobile phones make it possible for smallholder farmers to receive daily weather forecasts and learn the prices of crops at the market independently of a middleman. First-time mothers can receive information on infant nutrition and ask questions over the phone. People who live too far away from a health clinic to walk and be seen in person can communicate with a doctor or nurse who may be hundreds of miles away.

In 2000, only 4 percent of people living in low- and middle-income countries had access to a mobile phone. By 2015, the number had skyrocketed to 94 percent. In 2016, there were more than a billion mobile phones in Africa, double the number of only five years before.

Financial transactions are also easily conducted by phone. In fact, the World Bank estimated that the number of people without reliable access to banking services had fallen by 20 percent just in the years from 2011 to 2014. According to a 2015 study by the Pew Research Center, 61 percent of Kenyans with cell phones reported making or receiving payments on their cell phones in the past year, as did 42 percent of Ugandans and 39 percent of Tanzanians.

**Global Challenges Require Countries to Come Together as a Community**

Humanity’s biggest problems cannot be solved without collective action and a broad sharing of responsibility. So many issues cut across national borders. Responding to refugee crises is a prime example.

The world’s populations of refugees and displaced persons has soared in recent years (see Figure 5.5). 2016 was another record year with an estimated 65 million people forcibly displaced from their homes. When the figures for 2017 are complete, they will almost certainly show another increase. Every day, more than 40,000 people are displaced by violence and conflict, while another 60,000 are displaced by climate and weather-related disasters.

“People born into settings of poverty and violence are moving, refusing to simply accept a grim fate ordained
for them,” says Michael Clemens, senior fellow at the Center for Global Development.40

The global community must come together to ensure that all people who are forcibly displaced are protected and their basic needs met. Most refugees are hosted by low-income countries that have few resources to spare for them. Although most adults are eager to work and contribute, this has proven difficult for several reasons. Refugee populations have disproportionate numbers of babies and young children; their mothers, who are often also their sole caregivers; and people with severe illnesses or injuries.

Despite the desperation of so many innocent people, aid from well-off countries has been meeting less than two-thirds of the annual humanitarian needs.41 In 2014 and again in 2015, the World Food Program had to suspend food aid to 1.7 million Syrian refugees temporarily because of funding shortfalls.42 U.N. appeals for Syria brought in only 53 percent of the $7.4 billion needed for 2015.43 Ironically, this comes at a time when more countries than ever before are in a position to contribute, because the progress against poverty in recent decades has made potential aid donors of several countries that were once aid recipients themselves.

“I urge our leaders to put those most affected—girls and boys—at the heart of substantive commitments,” declared Malala Yousafzai, education activist and Nobel Peace laureate, while visiting Somali refugees in Kenya. “Refugee children have the potential to help rebuild safe, peaceful, prosperous countries, but they can’t do this without education.”44

In fact, most refugee children are going without the education that they need and deserve. Only 22 percent of refugees who are adolescents attend secondary school, and only 1 percent of students continue at the postsecondary level.45 Without education, adolescents and young adults have very poor job prospects. Teens are more vulnerable to exploitation than adults, and they also often make easier targets for recruitment into armed groups.

![Figure 5.5 Trend of Global Displacement & Proportion Displaced, 1997-2016](source: UNHCR, 2017.)
Leaders of countries around the world sometimes unite around positive agendas. They did so with the MDGs and again with the SDGs. Another example is the Paris Climate Accord, adopted in December 2015, just weeks after the SDGs. Key to reaching an agreement was all parties’ recognition that they need to help solve a problem that threatens everyone.

The United States, as the largest per capita producer of greenhouse gases, is part of the problem, but we can also be part of the solution. In 2017, the U.S. administration took the first step toward withdrawing from the Paris Accord, but according to the rules of the accord, this cannot be completed until 2021. In the meantime, American organizations and individuals ranging from the leadership of the state of California to small businesses have stated their intention to honor the terms of the accord. Many more partners are needed to help make climate change the national priority that it should be given the scope and urgency of the problem.

The global community should also work to reach agreement on a stronger plan to assist refugees and displaced people. Refugees and undocumented immigrants are a political problem in the United States, Europe, and elsewhere, as well as a humanitarian responsibility. Also, today’s enlarged group of aid donors may be able to help compensate for the rising numbers of people in need.

In Chapter 1, we discussed the rising income inequality in the United States. Unfortunately, inequality is now more of a global challenge and is mirrored in many developing countries (see Figure 1.6). The CEO of India’s top information technology firm earns a salary 416 times as much as the typical employee in his company. The richest person in Vietnam earns more in a day than the poorest person earns in 10 years. Growing inequality in developing countries also threatens to undermine the fight to end global hunger and poverty, as the richest people use their political power to avoid paying taxes that could be used to benefit the rest of society. Developing countries often have less capacity to enforce tax laws and lose large sums to overseas tax havens—an estimated $14 billion annually in Africa alone. This lost revenue, according to Oxfam, is “enough to pay for health care that could save the lives of four million children and employ enough teachers to get every African child into school.”

Continue to Strengthen U.S. Development Assistance

It is primarily the commitment of developing country governments and the hard work of struggling communities, families, and individuals that spur progress on hunger and poverty. But the United States has the resources and expertise to support their efforts.

The progress the world has made shows that developing countries are able to use U.S. support, not only to make rapid progress against hunger and malnutrition, but to mobilize additional resources from other donor governments, the international private sector, and their own taxpayers.

This is no time for the United States to cut back support for countries that are “all-in” for ending hunger and poverty by 2030. In the remainder of this chapter, we briefly discuss six ways for U.S. develop-
opment assistance to be especially effective in helping to improve livelihood opportunities and make progress against hunger.

**Strengthen support for agriculture and nutrition**

Agriculture is the main driver of economic growth in poor countries, and investments in agricultural productivity have been shown to be the most effective way to reduce poverty. It is as simple as that.

The U.S. global food security initiative, Feed the Future, works with partner countries (19 at this writing) to increase growth in the agricultural sector and increase food and nutrition security. Since its launch in 2011, Feed the Future has supported greater agricultural productivity, including related tasks such as processing, storing, transporting, and marketing crops. Feed the Future has a special focus on female farmers, because they spend more of their incomes on their children and are their families’ nutritional “gatekeepers,” and because they don’t yet have equal access to land, equipment, or training.

Feed the Future and other U.S. government programs also promote better nutrition, particularly among pregnant women and children younger than 2, since they are in the “1,000 Days” when the right nutrition is critical.

**Invest in Social Protection**

In September 2015, to coincide with the adoption of the SDGs, USAID released *A Vision for Ending Extreme Poverty*. The SDGs call for “implement[ing] nationally appropriate social protection systems...and by 2030 achieve substantial coverage of the poor and the vulnerable.” Accordingly, social protection, better known as safety-net programs in the United States, figures prominently in the USAID plan.

The conventional thinking has been that social protection programs are too expensive and difficult to administer for low-income countries. As one would expect, it is the poorest countries that have the weakest social protection programs, and it is the poorest people who are least likely to be protected by any type of social safety net.

On the other hand, experience has shown that social protection can be quite cost-effective in a variety of contexts. More than 2 billion people in the developing world are covered by some form of social protection, with school meals as the most common program. Some of the many other types of social protection available in some countries are crop insurance, old-age pensions, maternal and child nutrition programs, and primary health care.

The United States has supported school feeding programs for decades. Today, funding for school feeding is through the McGovern-Dole Food for Education program administered by the U.S. Department of Agriculture. It serves schoolchildren in countries in Latin America, Asia, and Africa.

The World Bank assists developing countries to set up or expand social protection systems. The Bank is helping scores of countries in their efforts to design universal health care and old-age pension systems. In 2016, Jim Yong Kim, president of the World Bank, and Guy Ryder, executive director of the International Labor Organization, pledged that their institutions would work together to insure the most vulnerable groups such as women and children, and the elderly, closing coverage gaps and leaving none behind.

Social protection helps reduce hunger and poverty, but by itself, it is not enough to enable poor rural communities to overcome the obstacles they face. The most viable way forward is providing social protection that is integrated with support for agriculture and nutrition.

**Give more attention to fragile contexts**

The majority of the world’s hungry people live in fragile and/or conflict-affected environments. These countries need more attention, more resources, and a more comprehensive international aid strategy. Humanitarian aid such as emergency food and shelter is essential to saving lives, and the United States is a leading donor to emergency relief. But in isolation, emergency assistance can do little to prevent the same problems from recurring again and again. Two-thirds
Food for Peace in Uganda

By Jordan Teague

Iko Nakol is a farmer in northern Karamoja, Uganda. This is a semi-nomadic pastoralist area, meaning that most families earn their living by raising livestock. Karamoja has seen decades of inter-ethnic conflict and insecurity that ended only recently. The impact was severe: people were unable to travel freely to find water and grazing for their animals, which contributed to the loss, in the years since 2008 alone, of about 70 percent of the region’s livestock. Iko Nakol was largely unable to generate income and provide food for his household because he had lost so much livestock.

The effects on malnutrition of the conflict and loss of livelihoods have also been severe. In 2011, just as Karamoja was emerging from this violent period, an alarming 45 percent of all children younger than 5 were stunted. Food and other resources were scarce, and many families could not afford to buy the limited food available.

USAID has provided emergency food aid in Karamoja for many years. In 2012, its Food for Peace program began a new development-focused effort with two programs to support households in rebuilding their livelihoods and improving their food and nutrition security. As part of these programs, Food for Peace is working to develop extension services and boost the private sector in agriculture and livestock.

Now, Iko Nakol and his neighbors have regular visits from an animal health worker supported by Food for Peace. The health worker treats the animals for common diseases and shows farmers how to keep their animals healthy—a service that was never available to Iko Nakol. Food for Peace is working to ensure that farmers like him have a viable way to earn a living by training extension workers for agriculture and animal health. The extension workers can then bring the necessary knowledge, resources, and veterinary services to farmers.

Food for Peace is also rebuilding market systems, which encompasses both rebuilding and rehabilitating market infrastructure and organizing market actors and logistics. For example, Food for Peace supports agro-dealers in Karamoja who supply seeds and agricultural technologies to farmers in the region. All program activities help rebuild and sustain farmers’ livelihoods or create jobs for local people.

These economic supports, when combined with the investments of Food for Peace and others in nutrition and health services for women and children, have great potential to improve children’s nutritional status. There has already been progress: the stunting rate decreased from the starting point of 45 percent in 2011 to 35.2 percent in 2016. At that rate, stunting could be all but eliminated within a generation.

As for Iko Nakol, his herd is healthy and growing, and now he can afford to purchase nutritious food for his family.

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of all humanitarian aid goes to people who have received it for eight or more years. To enable countries to move out of such a “permanent emergency” cycle, humanitarian work needs to be coordinated with development programs.

Ensuring access to services that people rely on their government to provide—such as health care and education—is a valuable contribution to building a durable peace in conflict-affected countries. It is especially important to reach groups that have been excluded in the past. U.S. development assistance can help governments strengthen their capacity to provide services more effectively and reach vulnerable groups more quickly. For example, from 2003 to 2012, USAID supported the Afghan Ministry of Public Health in an initiative to expand access to high-quality, low-cost health services. During this period, child mortality rates dropped by more than half, and life expectancy increased by 20 years. Primary health care is now accessible to 82 percent of the population, compared to only 9 percent in 2001. USAID continues to support the ministry as it leads a national health strategy.

Development assistance that enables post-conflict countries to get their economies up and running is a necessary first step—before there can be much job creation. It can be difficult to even consider how to create jobs in post-conflict societies until basic infrastructure—for example, electricity—has been put in place. After 14 years of civil war, for example, Liberia’s power sector could not produce a single kilowatt of electricity. Even now, some 15 years after the war’s end, Liberia is among the countries with the most limited electrical coverage. Currently, USAID and MCC, working with the Liberian government and other development partners, are rehabilitating a hydroelectric plant. When complete, it will provide access to electricity for 460,000 people—about 10 percent of Liberia’s population. Through an MCC compact, Liberia is also developing a road system to strengthen trade and other local economic relationships.

**Promote gender equity**

Gender discrimination—even if we set aside for a moment the toll it takes on individual lives and communities—is a powerful force working against economic growth and development. The simple truth is that no country can afford to leave half its adult population unable to contribute fully to their own development and that of their nation. Governments and aid agencies around the world have become much more aware of this, although policy change to affect the laws and social mores that perpetuate gender inequality have been much slower in evolving.

Development assistance should look through a “gender lens” to understand and help counter gender bias. Its causes, as well as its effects, can range from lack of education, sufficient nutritious food, and health care; to an unequal burden of unpaid work in the home and unequal responsibility for child care; to constrained work opportunities due to violence or the threat of violence; to unequal pay based on assumptions, whether about the innate abilities of men and women or about family responsibilities and roles.

Most of the world’s women who struggle with hunger live in rural areas and work in agriculture. USAID, together with the International Food Policy Research Institute and the Oxford Poverty and Human Development Initiative, has developed the Women’s Empowerment in Agriculture Index (WEAI). Because research has established that household gender dynamics vary significantly even from family to family, relying only on data that is not disaggregated, or qualitative sources that have been compiled and summarized rather than retaining individual statements, can mean overlooking some of the factors that determine how successful a development project will be.

WEAI’s approach is to gather more specifics using women’s and men’s responses to a set of concrete questions. For example, who decides how much maize to plant and when? Who decides whether a pair of goats can be sold and how the proceeds will be used? And would these answers change if it were a different crop, e.g., sorghum, or a different animal, e.g., chickens? Groups that implement development programs, particularly those in agriculture, can use WEAI’s more
nuanced information to make the programs more relevant and effective. They can also assess their programs’ impact by repeating the WEAI with the same households at intervals, perhaps annually or every two years.

MCC has also sought to make gender integration an agency priority, using systemic gender analysis to reduce or remove inequalities in its programs. For example, one way to enable women to farm more productively is to strengthen their land and property rights. MCC programs in Senegal and Mali have supported women in getting access to better agricultural land, including newly irrigated land.57

MCC and its partners first identified such an initiative as a priority by using a gender lens to analyze land use.

Build climate resilience

Climate change is already putting at risk, and could ultimately reverse, global progress against hunger and malnutrition. Thus, development assistance that enables climate-vulnerable countries to strengthen their resilience is important.

Reducing the risk of disaster is clearly an important part of building resilience. USAID defines resilience as the ability of various parts of society (e.g., individuals, households, communities, countries, or systems) to “mitigate, adapt to, and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates growth.”58

A resilience strategy needs to distinguish between events and conditions that can be prevented, and those that cannot. Floods, droughts, tropical storms, heat/cold waves, and forest fires are all examples of climate-related disasters,59 and of course such extreme weather events cannot be prevented. But they do not have to become disasters for people. A resilience strategy seeks to identify all the contributing factors that can be changed—and then, of course, change them for the better.

In Ethiopia, USAID contributes to a multi-donor effort that provides food and cash stipends in exchange for work from able-bodied household members on public works projects.
Bangladesh is one of the world’s most climate-vulnerable countries. For a number of years, with support from international aid agencies such as USAID, Bangladesh has been investing in strategies to keep natural disasters from becoming human disasters. Preparation has paid off. For example, the most powerful tropical storm to hit Bangladesh, Cyclone Sidr in 2007, killed 3,400 people. While this clearly should not be taken lightly, it is also less than 1 percent of the death toll from Cyclone Bhola in 1970.60

A study commissioned by the UK Department for International Development found that every dollar spent on disaster risk reduction in Bangladesh yields $5 in savings, a combination of losses that were prevented, humanitarian spending that was not needed, and development gains.61 The same study found that in Kenya, early drought response was nearly three times more cost-effective than humanitarian aid.62

The world is at a very early stage of developing and testing the range of complex components that will make up an effective resilience strategy for climate change—at least in part because many of the impacts, likely impacts, and potential impacts themselves are not well understood. But as more information identifies any promising approaches that would help limit its impact, countries should update their strategies and preparations accordingly.

**Improve capacity to benefit from trade**

A thriving trade sector will produce more economic growth and greater progress against poverty than aid. It is a durable path to development. But many developing countries don’t yet have a strong trade system, and they face barriers to establishing export markets. Aid is an important resource as countries seek to build their capacity to participate in the global market.

For this reason, capacity building should be a core objective of all development assistance. When it comes to trade, what does “capacity” mean? Capacity itself is simply the ability of people and institutions to perform functions, solve problems, and achieve goals.63 What these functions and goals are will depend, of course, on each country’s individual priorities, strengths, and weaknesses. Since the economies of most developing countries are based on agriculture, trade capacity building is likely to focus on agricultural production and products.

Trade capacity building ranges from infrastructure (such as roads and ports), to reforming regulations that hamper private sector investment, to improving the status of women so they can acquire the skills needed to participate in trade.64

An extensive body of research in developing countries shows that assistance in strengthening trade capacity leads to more investment, improves productivity, raises revenues, and boosts workers’ incomes.65 Trade-led growth cannot be generated overnight, but it is a sustainable strategy for the long term that is very likely to pay off. Countries that provide trade capacity assistance may also benefit over the longer term. For example, 11 of the top 16 trading partners of the United States are former recipients of U.S. development assistance.

Developing trade capacity often has positive side effects as well. Preparing to participate in the rules-based global trading system promotes transparency and accountability, and can thus be a force against corruption.

Most of this report is about the jobs challenge in the United States. This chapter is about the jobs challenge in the world’s developing countries. Some of the challenges are different, of course. Fortunately, the United States does not have to rebuild following a war that destroyed most of our major cities, and few parents here have lost a child to malnutrition or a disease that is easily treatable.

But many of the jobs issues are the same: creating enough good jobs to go around; maintaining public goods such as schools, hospitals, and safety-net programs; implementing policies designed to strengthen the national economy; and building trade relationships.