

Remarks to the SID Frankfurt Annual Assembly

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Guten Abend meine Damen und Herren.

I'd like to thank my good friend and colleague Norbert for inviting me tonight, and for his tireless work on behalf of the Society and its chapters

I bring you greetings and best wishes from Washington DC, and from your colleagues in the Washington Chapter of SID. We find ourselves in the midst of "interesting times."

I come to you wearing at least two hats—maybe three.

One of my hats is my DAI hat. As you may know, DAI is a global development company. Global in reach, global in outlook. Employee owned. Driven by our mission to shape a more livable world.

We are one of the larger companies dedicated solely to this global development mission. And we are one of the leading partners for USAID, for DFID, and we hope one day for donors here in continental Europe.

My other hat is my SID hat. I am privileged to serve as the Vice President for Program Affairs in SID's Washington Chapter, which means I advise the Chapter on its technical programming and thematic focus.

DAI and SID go back a long way. I have served on the Board for the past 10 years and DAI has been involved in one form or another for as long as I can remember.

We appreciate SID because it brings together all parts of the development community, including those that might otherwise not engage with each other—for-profits and nonprofits; development practitioners and development thinkers.

More often than not, we find common ground, and a firmer footing for a joint path forward. And this joint path is more critical now than in any time in recent memory.

At this singular geopolitical moment, what I *particularly* love about SID International is the ease with which it wears more than one hat.

Given its chapter structure and its global umbrella—its 30 far-flung outposts and its center in Rome—SID is the epitome of the multihatted organization. It is both local and global, national and international. When in Washington, I wear my Chapter hat; when in Rome...or Frankfurt, or Nairobi, or Dar...I am honored to put on a global hat, as a member of SID International's Governing Council.

(My third hat.)

Being comfortable with a plurality of hats is more important today than it has been in many years. We find ourselves in a historical moment that seems to insist there is something contradictory—

--something mutually exclusive—between one hat and the other; between domestic interests, say, and global interests; between nationalism and internationalism.

Yet as social and economic development professionals, we know that such a distinction does not hold up—that this polarity simply does not exist. We know that development is not an either/or proposition, not a zero-sum game.

We know that in extending a helping hand to emerging nations, donor countries are very often helping themselves at the same time.

Remarkably, just last month, I saw this “selfish” aspect of foreign assistance [used by an aid critic](#) as a stick with which to beat the development community:

QUOTE: [F]or every 10 Euros the Dutch provide in bilateral aid to an average recipient country,” this critic wrote, [Dutch exports](#) to that country increase in the short run by 7 to 9 Euros.

In the longer run, as goodwill and force of habit take hold, aid-induced sales then become even more lucrative. In the period 1988-2004, each dollar in Western bilateral aid [yielded 2.15 dollars](#) in additional exports of goods and services by Western businesses.

And I have to ask: Is this a bad thing? I suppose the question for such critics is, understandably, whether aid also benefits the assisted country. My own professional experience in these matters—and I’m sure your own-- is unequivocal: **it does**.

In 2000, I took a break from my DAI career to serve as USAID’s first representative in Hanoi. I helped design trade capacity building and competitiveness projects that supported Vietnam’s efforts to join the global market. Third-party evaluations confirm that USAID’s efforts made a substantial contribution to Vietnam’s success on that front.

What does that success look like? Exports to the United States jumped from [\\$1.05 million in 2001](#) to [\\$38 billion in 2015](#); imports rose from \$460.4 million to \$7 billion. Net foreign direct investment [jumped from \\$1.3 billion to \\$11.8 billion](#) between 2001 and 2015.

Most importantly, since 1994, when President Bill Clinton lifted the postwar trade embargo, Vietnam has been a model of poverty reduction. Poverty rates have [fallen from nearly 60 percent to 20.7 percent](#) in 20 years.

Does the United States benefit from Vietnam's emergence? Yes: In 2014, [more than 7,000 U.S. firms exported to Vietnam](#) (84 percent of them SMEs) and more than 50,000 U.S. jobs were supported by these outbound goods and services; in 2015, U.S. exports to Vietnam [jumped by 23 percent](#). Surely this is no bad thing.

The evidence of mutual benefit goes beyond my own experience:

12 of America's top 15 trading partners were once recipients of U.S. foreign assistance, and our fastest growing markets, now representing more than 50 percent of U.S. exports, are in emerging economies.

And the principle of shared interest applies beyond the realm of trade and economic development. As the former British prime minister David Cameron puts it in a recent Op-Ed for *The Guardian*: “[I]f we don't tackle poverty abroad, the results are visited upon us at home. Mass migration, epidemics such as Ebola, climate change and pollution: none of these things respect national borders.”

Here in Germany, such concepts will not be new to you. Germany, of course, was one beneficiary of perhaps the most storied development assistance program in history, the Marshall Plan. A plan that, at its height, meant that America devoted something like [3 percent of GDP to foreign aid](#)—many times what we currently spend.

When George Marshall put his international hat on, was this the noble thing to do? A global good? Yes, it was. But it was also the prudent thing to do: a national good.

It stabilized a stricken continent, it shored up Europe as a geopolitical counterweight to our common strategic adversaries, and it stimulated European markets for American industries bursting with productive capacity.

Just this January, German Development Minister Gerd Müller presented his own Marshall Plan, a Marshall Plan for Africa—a plan that is premised on cooperation with African countries, coordination with the Sustainable Development Goals, and concerted engagement with the private sector.

"[The wellbeing of Africa is in Germany's interest](#)," said Chancellor Angela Merkel last October, before a trip to Mali, Niger, and Ethiopia.

It's too early to say whether that Marshall Plan for Africa will work. But it speaks to Germany's critical leadership on the international stage. It spells out a striking vision for the role of soft power in the increasingly challenging relationships between Europe

and its neighbors to the east and south. And finally, it tells me that elsewhere in the world we need to revive the spirit of General Marshall.

We need to do a better job of making the argument for multiple hats, not just with politicians but with citizens and voters. Not to impose our view on them, I should stress, but to persuade.

Too often, I think, we have been dismissive of aid skeptics or people who through no fault of their own know little about the workings of official development assistance. We have assumed—based on our own positive experience, our everyday exposure to the evidence—that the compatibility of national and international interests, the idea that extending a helping hand helps us all, is self-evident.

That won't work going forward. We have to share our knowledge, we have to marshal our evidence, we have to tell our success stories: but we also have to listen, to recognize that other citizens in our respective countries—sometimes neighbors in our own communities—may have had different experiences of globalisation.

At the political level, constructive international policies must be married with equally thoughtful domestic policies so that we can honestly claim that engagement overseas remains a worthwhile investment for everyone at home.

There is, I am confident, common ground to be found both here in Europe and in the United States.

Thanks to SID, we have a uniquely broad set of perspectives through which to inform the debate over the value of development assistance and the benefits it offers to both giving and receiving countries, here at home and abroad. I hope you will all participate in the debate in the months ahead.

Thank you.