



THE ASPEN INSTITUTE

THE FIRST ANNUAL

Madeleine K. Albright
GLOBAL DEVELOPMENT LECTURE

Honoring

DR. RAJIV SHAH

Administrator

United States Agency for International Development

August 1, 2012 | Aspen, Colorado

Madeleine K. Albright Global Development Lecture

The Aspen Institute Madeleine K. Albright Global Development Lecture will recognize an individual whose bold vision has provided breakthrough thinking to tackle the challenges of global development.



THE ASPEN INSTITUTE is an educational and policy studies organization based in Washington, DC. Its mission is to foster leadership based on enduring values and to provide a nonpartisan venue for dealing with critical issues. The Institute has campuses in Aspen, Colorado, and on the Wye River on Maryland's Eastern Shore. It also maintains offices in New York City and has an international network of partners.



ASPEN GLOBAL HEALTH AND DEVELOPMENT'S mission is to address persistent global health and development challenges by promoting breakthrough solutions at scale. We promote and accelerate these solutions by informing and strengthening the capacity of political leaders, moving country-level best practices to global policy attention, developing and promoting new evidence, and providing high-level forums for debate and implementation of innovative strategies that have the potential to result in positive, large-scale outcomes.



THE ASPEN NETWORK OF DEVELOPMENT ENTREPRENEURS (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets. The network's 150+ members provide critical financing and business support services to small and growing businesses that create positive economic, social, and environmental impacts in developing countries.

BROOKINGS

THE BROOKINGS BLUM ROUNDTABLE is an off-the-record annual forum for global leaders, entrepreneurs and practitioners to discuss innovative ideas and advance groundbreaking initiatives to alleviate global poverty. Roundtable participants have convened each August since 2004 to explore timely subjects ranging from the emergent new players in the international donor community to the poverty-insecurity nexus. This year's theme is "Innovation and Technology for Development."



MADELEINE K. ALBRIGHT is Chair of Albright Stonebridge Group, a global strategy firm, and Chair of Albright Capital Management LLC, an investment advisory firm focused on emerging markets. Dr. Albright was the 64th Secretary of State of the United States. In 1997, she was named the first female Secretary of State and became, at that time, the highest ranking woman in the history of the U.S. government. From 1993 to 1997, Dr. Albright served as the U.S. Permanent Representative to the United Nations and was a member of the President's Cabinet. She is a Professor in the Practice of Diplomacy at the Georgetown University School of Foreign Service.

Dr. Albright chairs both the National Democratic Institute for International Affairs and the Pew Global Attitudes Project. She is also the president of the Truman Scholarship Foundation and a member of an advisory body, the U.S. Defense Department's Defense Policy Board. In 2012, she was chosen by President Obama to receive the nation's highest civilian honor, the Presidential Medal of Freedom, in recognition of her contributions to international peace and democracy.



DR. RAJIV SHAH serves as the 16th Administrator of the United States Agency for International Development (USAID) and leads the efforts of more than 8,000 professionals in 80 missions around the world.

Since being sworn in on Dec. 31, 2009, Administrator Shah managed the U.S. Government's response to the devastating 2010 earthquake in Port-au-Prince, co-chaired the State Department's first-ever review of American diplomacy and development operations, and now spearheads President Obama's landmark Feed the Future food security initiative. He is also leading "USAID Forward," an extensive set of reforms to USAID's business model around seven key areas,

including procurement, science & technology, and monitoring & evaluation.

Before becoming USAID's Administrator, Dr. Shah served as Under Secretary for Research, Education and Economics and as Chief Scientist at the U.S. Department of Agriculture. At USDA, he launched the National Institute of Food and Agriculture, a new scientific institute that significantly elevates the status and funding of agricultural research.

Prior to joining the Obama Administration, Shah served for seven years with the Bill and Melinda Gates Foundation where his positions included Director of Agricultural Development in the Global Development Program, and Director of Strategic Opportunities.

Originally from Detroit, Shah earned his M.D. from the University of Pennsylvania Medical School and his Master of Science in health economics at the Wharton School of Business. He attended the London School of Economics and is a graduate of the University of Michigan. Shah previously served on the boards of the Alliance for a Green Revolution in Africa (AGRA), the Seattle Public Library, and the Seattle Community College District.

Dr. Shah is married to Shivam Mallick Shah and is the father of three children. He lives in Washington D.C.

*Inaugural Aspen Institute Madeleine K. Albright
Global Development Lecture on the
Importance of Open Source Development*



REMARKS BY DR. RAJIV SHAH

Madame Secretary, thank you for that generous introduction. You have stared down dictators, brought an end to war, empowered women everywhere, taught us about the symbolic value of brooch pins, and served as a mentor.

I am honored to be asked to give this inaugural lecture.

To my many colleagues and friends in the room, I'm grateful for your presence and friendship this evening.

Today, President Obama and Secretary Clinton have put forth a view of America's position and power abroad that truly elevates the role of development in our nation's foreign policy.

In my remarks, I'd like to discuss the importance of this moment, what we can achieve if we get development right, and a new model for development that could better engage more problem-solvers at tackling the core issues of our time.

This is a definitive moment for development.

In the last few years, social media has helped turn authoritarianism on its head across the Middle East and unite families separated during an earthquake in Haiti; private investment in emerging economies has grown to dwarf official development assistance in aggregate;

and new technologies – perhaps most notably the mobile phone – has transformed the lives of billions of people in the farthest corners of the globe.

At the same time, we're facing new circumstances here at home.

We're drawing down from two large-scale wars, bringing our troops home, and rethinking how we project military power across the globe. Admiral James Stavridis, our four star NATO Commander, just delivered a TED-talk about the need to adopt a new "open source" security framework that is focused more on building bridges than building walls.

We're adapting to considerable new fiscal constraints under the budget control act, as the United States Congress prepares against a deadline to agree on a major deficit-reduction plan that will have as great an effect on the development dollar as it does on defense.

The decisions we will make over the next four, six, or ten months will essentially determine a new framework for American leadership abroad.

At the same time, we all know the background— that most of the American public greatly overestimates foreign aid as nearly a quarter of the total budget, instead of its actual level of 1 percent. And in some parts of our politics, we still debate about whether development is about buying favor or buying results.

So it's easy to see why it's become fairly popular to give big speeches with titles like "the end of aid." *I have read three such speeches in just the last year!*

It's true that official development assistance should have an end. And that institutions like USAID should work to put themselves out of business.

But what's so often missing in our debate is how we define our end state goals, how we achieve them, and what comes next.

What is achievable in development is becoming increasingly clear.

We know that powerful demographic shifts are underway that will add billions of people to our population in precisely the settings least able to handle their needs.

We know that temperatures will grow warmer, rains more erratic and droughts more vicious, putting disproportionate pressure on developing countries and the global poor.

And we know that these issues will be increasingly intertwined with extremism and conflict – as we see in the reality that Yemen could be the first country to genuinely run out of water.

But we have heard these warnings before. Paul Ehrlich wrote the Population Bomb predicting widespread starvation at the same time that Dr. Norman Borlaug was inventing new high-yielding wheat varieties and starting a Green Revolution – perhaps USAID's single greatest historic accomplishment.

And today we see dwarf wheat varieties everywhere.

From new vaccines to policy breakthroughs such as conditional cash transfers delivered via mobile phones...

...from new insights about how to empower women to the simple idea that we can finally get donor coordination right by putting all our projects on Google Maps...

...we now have the capacity to achieve amazing end-state goals within a generation.

Consider these three.

First, within a generation, we can end preventable child death and get nearly all children learning in their classrooms.

The Economist has labeled recent gains in saving children's lives in poor parts of the world the biggest success story in development. In the last 50 years, the world has reduced child mortality by 70 percent. And over the last decade, school attendance has increased by 50 percent in Africa and 84 percent in South and West Asia.

The global statistics are astounding – but we can even see progress even in the toughest of places. In Afghanistan, from 2001 to today, we helped expand the number of children enrolled in primary school from 750,000 boys enrolled under the Taliban to more than 8 million children today, nearly 35 percent of whom are girls. And our health partnerships have reached 64 percent of Afghan families with basic, low-cost health services resulting in the largest drop in maternal mortality anywhere in the world and a near 50 percent reduction in kids under five who die.

Now there is much more to do. Even as we enjoy Aspen this year, more than 7.5 million children will die before they celebrate their 5th birthday. And of all those kids who now go to school, experts estimate that less than half will learn basic literacy skills at grade level.

But these are solvable problems. We know because we are solving them as we speak. Our new approach to education prioritizes testing and reading outcomes – and we see a strong performance response. And we just co-hosted a major Child Survival Call to Action with more than 80 countries present: 56 commit to ending preventable child death in their nation, more than 30 plan to issue specific scorecards to track their efforts in a public and transparent manner, and the 5 countries that account for half of the 7 million kids that die each announced real partnerships to achieve that goal.

Taken together, these efforts will lead to what the World Bank has called a demographic dividend. As children survive and thrive, families have fewer children, and invest more in their futures. Demographic dividends have added as much as 1.5 to 2 percent to growth rates in South East Asia for more than 15 years.

Today, young people under the age of 19 in developing countries comprise nearly 30 percent of the *entire* global population and 60% of the Arab world is under the age of 25. We have to act today to help ensure that this youth bulge becomes an engine of growth.

Second, within a generation, if we continue on the trend we're on, we can reduce extreme poverty by more than 60 percent—lifting more than 700 million people out of dollar-and-a-quarter a day poverty and back from the brink of hunger and malnutrition.

But if we accelerate our progress from 3 percent annual reduction to over 6 percent and focus on key turnarounds in some difficult countries, we could get a 90 percent reduction. We could essentially eliminate dollar-and-a-quarter head count poverty.

If you think that's fiction, just consider the fact that between 2005 and 2008 **overall poverty headcount fell in each region in the world—including sub-Saharan Africa—for the first time in human history**. Think about that. From when we started collecting data on poverty through 1993, the total number of extreme poor kept going up. Between 1993 and 2005, the number of people living in poverty fell by an astonishing one-third—more than 600 million driven by Brazil, India, and China. Now we actually see Sub Saharan Africa joining that trajectory.

Much could derail this progress – perhaps most notably food and agricultural insecurity, the challenge of green growth, and the curse of oil and mineral

resources managed poorly. But again, these are solvable problems if we choose to engage aggressively. And again we know that because we have proof.

Finally, within a generation the global community can help transition nearly all the democracies that have the bare minimum of democratic trappings—like elections and civilian rule—to more complete democracies, where all citizens can participate in their government, fight corruption, and enjoy equal protection under the law.

In 1974, according to Freedom House, more than 111 countries—nearly 75 percent of our world—was defined by authoritarian rule. In the decades since, 76 of those countries broke free and become early democracies. Even more remarkably, three-fifths of them made the leap in a short time to what Freedom House calls a liberal democracy.

If we stay committed, within a generation, the global community could flip the scale to realize a world where nearly 75 percent of countries will be democracies—and a nearly 90 percent of those will enjoy the rule of law, accountable institutions, and safeguards for human rights.

Now I won't stand before a former Secretary of State and the Chair of the National Democratic Institute and claim democracy this will just happen. It takes local leadership, time, and persistence. But I spent time in Yemen recently where we support NDI to work with youth and civil society groups as part of that country's National Dialogue leading up to a genuine election. This work yields results, and without our engagement, it simply would not happen.

But just setting goals and envisioning this future doesn't make it real. We have to provide a clear path to getting there. And I would propose to get there we need break out of a top-down institutionally driven model of development and adopt an Open Source Development model that empowers more people everywhere to tackle these challenges. Effective development enables a system of free enterprise to take hold and connect to an integrated global economy in a way that protects the opportunities of vulnerable and poor populations to survive and thrive.

Since World War II, we've built a significant institutional architecture to facilitate this task. And we've had incredible successes along the way, especially supporting countries that lead themselves— in nations like South Korea, Chile, Turkey and Poland, all of which have made the transition from aid recipients to donors.

But I believe the landscape has changed—and institutions in development have been the slow to adapt.

Twenty-five years ago, the World Bank annual meeting effectively brought together the entire global development community. Today, that community has dramatically expanded, and most key participants don't attend that gathering.

Today, seizing our opportunities involves partnering deeply with...

...corporate leaders like Virkam Pandit of Citi and Andrew Witty of GlaxoSmithKline, who understand that their firms have a corporate social opportunity to reach new markets by developing solutions that will empower the poor...

...faith leaders like Rick and Kay Warren of Saddleback Church, who are trying to unleash hundreds of thousands of development volunteers specifically to train health workers in Africa and serve the needs of those least fortunate ...

....philanthropists like Bill Gates and Mo Ibrahim, who have studied these issues deeply and can bring their private sector expertise to bear on solving challenges...

...and youth leaders at college campuses throughout the country and around the world, who are not only traveling abroad in record numbers, but oversubscribing to college courses on global health and development.

Most formal development institutions have not yet figured out how to tap into this vast expertise, instead continuing to promulgate a *We Are the World* model of inviting engagement in development.

That's the album that came out in 1985 to raise money for famine relief in Africa. It reached #1 in 2 weeks—a record that had been only previously been met by the Beatles and the Rolling Stones.

The reason it was so popular, besides Michael Jackson and Bruce Springsteen, was that, at the time, it was the only way for average individuals who were inspired to act to do something about the morally terrifying images they saw on TV.

Unless you were joining the Peace Corps, development had simply always been the exclusive realm of large expert organizations.

Now we live in a world— call it the Kiva-world— where a student anywhere can go online and choose the individual dairy farmer she wants to support in Kenya and offer that farmer a \$25 loan.

That dairy farmer can then invest in her business, vaccinate her animals, improve their feedstock, and track milk output and local prices through her mobile phone using an application called iCOW. She can use that data to negotiate across different buyers and even use her phone to report suspected corruption within her local dairy cooperative.

In an open source development model, inventors around the world could observe that her biggest challenge is getting the milk to a chilling facility before it spoils and could invent new forms of “on-farm” ultra-pasteurization that could solve that problem for her and others.

If we're going to deliver on ambitious development goals within the next two decades, then we have to employ a much bigger definition of development to get us there.

Development is too important and creativity too diffuse to be left entirely to the post WWII development institutions, including USAID.

To support an open source development approach, our Agency must serve as a platform that connects world's biggest development challenges to development problems solvers – all around the world. We recognize that talent is everywhere, but opportunity is not.

At USAID, we are putting this idea to the test.

We've launched a series of Grand Challenges that have encouraged more than 1,500 innovators — nearly half from developing countries — to submit groundbreaking proposals for new technologies and approaches to save lives at birth, get all children reading, and power agriculture through clean, off-grid energy. Even when potential inventors do not win grant awards, they are able to join global communities of practice and improve their capacity to realize their mission.

We've launched a Development Innovation Venture Fund, so we can help entrepreneurs take a creative idea — like monitoring ballot boxes with camera phones in Afghanistan — and evaluate and scale them.

And this fall, we will launch a Higher Education Solutions Network, modeled in part on the Blum Center at Berkeley, to expand the pool of informed problem-solvers in our own country and provide them the space to tackle the development challenges of our time.

But an open source development model is not just about bringing more Americans to the task. By getting into the business of sharing risk with local banks and investors using credit guarantees, we've unlocked more than \$2.3 billion in private investment through our Development Credit Authority—helping to put local wealth to work for development. For every 28 dollars that get to entrepreneurs and small businesses, we spend 1.

And we've focused on helping countries from Ghana to South Sudan participate in the Extractive Industries Transparency Initiative so their local wealth actually advances, instead of undermines, their development performance.

These efforts have all been part of an ambitious reform agenda we call USAID Forward. One of the most controversial aspects of these reforms is our commitment to finding, supporting, and building strong local institutions that would represent our own exit strategy over time. We simply cannot keep writing big checks to big contractors to do tasks in countries without an effective strategy for exit and sustainability.

But the ultimate test of open-source development has to be whether we can generate results at scale.

Consider the chronic issue of hunger in Africa. Donors have for decades designed programs that help African farmers — usually a few hundred small scale farmers at a time and for 3-5 years before moving on to the next priority.

The Obama Administration has tried to change that approach. We launched Feed the Future in 2009 to reach millions of small scale farmers in countries that were willing to make tough policy reforms and increase their own investment. We are investing in science and technology and publishing results online. And we know its working — Feed the Future helped millions of people in Kenya and Ethiopia avoid the need for food aid during last year's tragic drought and in Bangladesh an entire state that has never before had enough food to feed its population is now producing a surplus.

But the real potential of Feed the Future is its next, more open-source, stage. We've worked with six countries in sub-Saharan Africa to help them make reforms to entice private investment and simultaneously worked with 45 food and agriculture companies around the world to introduce them to business opportunities in these nations.

For this year's G8 meeting, these firms made \$4.5 billion in investment commitments – to expand seed production and distribution, map soil quality, establish small scale irrigation businesses, and source more food for global supply chains. International organizations agreed to ensure these investments reach the poorest farmers – mostly women, and G8 partners agreed to coordinate our aid in a manner that would allow these new public-private partnerships to succeed.

We expect this New Alliance to move 50 million people out of poverty in 10 years and to show that African agriculture is open for business. Our role is as a facilitator and connector – not the party in charge.

In an open-source development model, we will not always have the control we have grown accustomed to exercising, and we have to get used to that.

My favorite story here belongs to a young woman named Gigi Ibrahim, one of the powerful, young citizen journalists who wielded her blackberry as a weapon of revolution in the rise against President Mubarak of Egypt. She tweeted locations of protests, security alerts, and notes to human rights organizations about the latest arrests or violations.

Several months later, Jon Stewart had her on the Daily Show—and when he asked her how she came to play a pivotal part in this movement, she explained to the rather surprised audience that she had taken a class at the American University in Cairo called the “Social Mobilization Under Authoritarian Regimes” and concentrated on the role of social media as an enabler.

I doubt that was an expected outcome when USAID funded the university for over 20 years, proving that when we start enabling networks of activity, we simply cannot know what they will end up achieving.

This shift from designing and implementing projects to serving as a connector – reaching out to local entrepreneurs, governments, and civil society leaders and enabling them to find partners from around the world – has unlocked something exciting in our staff.

And I would like to close on this note.

Many of us in this room and thousands of other across the globe have and continue to spend tremendous energy on improving our effectiveness in development. We choose smarter things to do, focusing on key competencies and appropriate roles. We measure relentlessly, inviting cold hard facts to challenge our warm, fuzzy assumptions. We have become hard-nosed in pursuit of our soft goals, and, when doing so, we have often invoked the ideal of “How They Do It In The Private Sector.”

I recently had the chance to meet with several very serious experts on private sector management and leadership, and set out to take notes and learn what new methods we might be able to borrow and adapt for our work. What surprised me was the central and powerful place some exceedingly soft ideas have in their hard analyses of corporate leadership. Forging common purpose and shared values. Meaningful work. Deep respect for others. A sense of being part of something bigger than oneself. These are make or break issues to them.

Ford Motor Company was turned around by a man who made employees stand before car dealers and suppliers and say, “We love you,” out loud and in unison while simultaneously reminding his senior executives to smile more and remember that, and I quote, “the purpose of life is to love and be loved.”

Now, don’t worry – I am not going to ask us to stand, hold hands, or hug. But I do want us to stop and think.

In development, we’re paying more and better attention to important details – but do we every day remain big enough?

Development attracts many of the best students, brightest minds, and strongest spirits. Open source development can help keep these people inspired through the full arc of a career by offering the true reward of being successful – combining productivity with meaning. Accountability and measurement do enhance satisfaction. But we need to be sure that we refresh, discuss, deepen and celebrate the sense of shared and higher purpose that brought us to our work in the first place.

If we do, perhaps we could spend less time thinking about how to sell development to a skeptical public and more genuine effort at connecting the core individual quest for meaning and value to our efforts.

Vice President Gore, who gave me my first job in politics, has been so effective in his leadership that my young son dutifully walks into a room where I am reading, turns off the lights, and explains to me I don’t need them because my IPAD has a backlit screen. He’s 6 years old and his respect for resources is already a part of how he defines himself.

Perhaps we need to explore how we could use an open source development model to connect our work to all people. Perhaps to genuinely win the war against extreme poverty, leverage social networks to deliver real democracy, and ensure every kid everywhere lives to see their fifth birthday and thrives in school in the years ahead, we need to both elevate development in the Situation Room of the National Security Council and in the hearts and minds of how millions of additional people express their own personal quest for meaning.

Thank you.

