

## Legacy to the World's Poorest Nations

When the dust settles on U.S. foreign policy under President Bill Clinton's stewardship, its most enduring legacy might well prove to be its high-powered intellectual capacity to pinpoint the new generation of strategic threats after the fall of the Berlin Wall. They are global terrorism, international criminal syndicates, the proliferation of mass-destruction weaponry, global disease epidemics—notably HIV/AIDS—and the illegal drug trade. Yet, identifying these threats did not produce durable and effective policy solutions. With communism discredited, an international regime of stable democratic states pursuing market-based economics is seen as the normative long-term answer to these problems. But there has not been an enduring consensus within the Clinton administration, let alone its critics, on the definition and extent of these new threats that would have provided common ground to work toward specific solutions. A definition, to paraphrase Henry Kissinger, could formulate a generic solution to specific problems. As the United States moves to the next administration, the international affairs community has its work neatly cut out: to clarify and build the consensus on strategic threats to global security, their impact on the United States, and national and multilateral strategies necessary to counteract them.

Nowhere is that need greater than in the developing world, which combines with large swathes of the ex-Soviet “transition” states to generate more than their fair share of new security problems. Between them, these regions comprise the majority of the world's population. Collectively, they pose some of the most fundamental challenges of the new global security agenda: weak or ineffective statehood providing succor to terrorism and il-

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licit drug traffic (Afghanistan, Colombia, Burma, Liberia, Somalia), a surging HIV/AIDS pandemic, and state-sponsored terrorism (Libya, North Korea, Iraq, Sudan). Within those regions lie a vast and increasing number of quasi-states, many of them masquerading as elected democracies that have self-induced material impoverishment, political mendacity, and administrative incompetence. This strife has driven millions of their ablest citizens annually

**Identifying threats did not produce durable and effective policy solutions.**

into the world's more prosperous regions, such as North America, Western Europe, Australia, and Japan, where they generate new domestic social tensions and xenophobia in the receiving countries. Inflammatory anti-immigrant rhetoric brought new far-right threats to established democracies, notably Austria. Although there is at least some framework, however unsatisfactory it may be, for a multilateral response to

these challenges in the West—the North Atlantic Treaty Organization (NATO) in the case of Serbia in 1999 and the 1991 Persian Gulf war, and the G-7 for global economic crises—the multilateral framework entrusted after World War II with the political and economic problems emanating from underdeveloped regions now seems decrepit and functionally disoriented. In the smugness and indecisiveness that followed the Cold War, both the Clinton administration and the U.S. Congress may have missed a golden opportunity to reform U.S. relations with the developing world, at small costs to themselves.

The international conflict-resolution mechanism in these far-flung places stumbled from one crisis to the next with uneven results, as did the administration's policies: failure and withdrawal from Somalia in 1994, non-intervention followed by genocide in Rwanda the same year, consternation with discordant Western responses to Saddam Hussein's Iraq, hand-wringing in Chechnya and the western Sahara, and partially successful intervention in Haiti and East Timor. From the standpoint of Washington and some of its allies in Europe, and by default rather than by design, strategic policy becomes clearer the closer one is to North America and Western Europe—as one can see in Bosnia, Kosovo, the rescue of Albania from anarchy by the European Union, and concern over the Mexican peso in 1995. It fades into rhetorical mists as one moves to the outer limits of the global periphery. Realists may insist that this outcome is a vindication of the immanent internal logic of their system: basic national interests drive foreign policy. There is some truth in that, but if the new scheme of the ascendant threats to international security as outlined by the Clinton administration have any con-

crete relevance, then the festering problems in the outlying regions of the globe are being overlooked at the peril of the United States and its allies in the West.

## Combating Terrorism

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Consider terrorism: 48 hours after I flew out of Nairobi, Kenya, on August 5, 1998, driving past the U.S. embassy on my way to the airport, I was informed that the embassy and several buildings around it had been almost flattened by a powerful bomb, killing 11 Americans and 280 Kenyans and injuring thousands more. The culprits had also timed another bomb to go off simultaneously in the neighboring capital of Tanzania, Dar es Salaam, that killed 11 people. Ensnared deep in the wastelands of Taliban-run Afghanistan, the grand commander of the operation, Osama bin Laden, issued orders to strike these two embassies, first because they were American, and second because Nairobi and Dar es Salaam were easy targets, classified by the U.S. government as “low risk” neighborhoods.

Two weeks later, the Clinton administration launched what was termed a “retaliatory and preemptive” cruise missile strike against an alleged Bin Laden nerve gas factory in the Sudanese capital of Khartoum and his terrorists’ finishing school deep in the Afghan mountains. Yet even the most ferocious defenders of those retaliatory actions now have doubts not only about their overall effectiveness, but also about the veracity of the intelligence on which they were based. As Clinton made his last address to the United Nations (UN) General Assembly in September 2000, he repeated the now well-rehearsed litany of the “new threats.” He implored the states represented—among them perpetrators as well as victims of terrorism—to accede to a UN Declaration on Crime and Public Safety “which would bar any country from offering sanctuary to terrorists and drug distributors.” Two years after the East Africa bombings, more than four years after the Oklahoma City, Riyadh, and the World Trade Center blasts, there had to be sighs of resignation in that hall off Manhattan’s First Avenue and, harking to Nairobi, deep in my heart as well. A month later, the Bin Laden brigade reportedly struck the USS *Cole* in Yemen, killing 17 U.S. seamen.

At the core of it, the ultimate solution to terrorism lies in preemptive detection and neutralization before it happens, which of course is easier said than done. It calls for acute intelligence in both senses of the term as well as swift action within and across borders. The spectacular busting of the multibillion “international shipping line,” a front of the Colombian drug lords, mainly by British (but also U.S. and West Indian) detectives in September 2000 demonstrated this.

In addition to political commitment, effective counterterrorism calls for interstate collaboration by governments that have the fiscal and administrative ability to act. Herein lies a monumental problem: Many of the would-be partners in the Declaration on Crime and Public Safety meet neither qualification, and it is not just the Taliban in Afghanistan. With impunity, the Robert Mugabe government in Zimbabwe unleashes habitual terror on dissenting political opponents and its own white farmers, thereby ruining the economy. India's BJP government turns a blind eye to religious persecution against non-Hindus, while Pakistan arms terrorists against Indians in Kashmir. Had the incompetent Daniel arap Moi regime in Kenya been voted out of office, the foreign terrorists who set the Nairobi bomb (and who had bought valid Kenyan identification papers from its corrupt officials) might have been rounded up before the act, saving many U.S. and Kenyan lives.

Particularly in Africa, eastern Europe, and South America, but not the Middle East and North Africa, the Clinton administration pursued a policy that encouraged democracy, competitive elections, and the rule of law. Given the tenacity with which ordinary people in these regions flock to the polling booths, there is wisdom in pursuing that policy by the incoming administration. If there is a lesson to be gained from the tragedies of terrorism, and from dangers posed by conflict-wracked states like Sierra Leone, Angola, the Democratic Republic of the Congo, Sudan, and Haiti, however, it is that many of the states need governments that can govern in the conventional sense before they can contemplate democracy. This begs the challenge to restore domestic order and reconstruct functional governance institutions.

### **Bretton Woods Overload**

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By the time Clinton leaves office, the UN, the International Monetary Fund (IMF), and the World Bank will be formulating programs for "governance," "institutional development," "stake-holder participation," and "capacity building." These are all code words for effective and accountable government and a fig leaf for thinly veiled constitution mongering. All of this will be justified not on the basis of security (though "personal security" has by now crept into the development jargon), but on the need for "good governance," necessary to promote sustained, poverty-reducing economic growth.

None of this was envisioned when these bodies were constituted after World War II. On the contrary, they had been expected to be professional and apolitical. As demonstrated (literally) in Seattle in November 1999 against the World Trade Organization, and subsequently in Washington and Prague against the IMF and the World Bank, a heady resentment of these

institutions had already taken root in sections of youth, unionized labor, charity organizations, church groups, and some fringe groups (like anarchists) in Western societies. The Bretton Woods organizations were accused, not always fairly, of fostering global capitalism at the expense of the working people, of funding environmental disasters, and of harming the developing world's poor. The functional overload in the Bretton Woods institutions, mission creep into national politics, and the crisis of confidence in these bodies will prove yet another problematic legacy for Clinton's successor. Unless the missions are clarified and the organizations are streamlined, the streets around global financial meetings could continue to be flooded with protesters.

In the meantime, the initiative to reform these institutions, such as it was, had passed from the administration to the U.S. Congress. Demand for additional funding by the IMF in the spring of 1998, as it sought to stem the global effects of the 1997 Asian financial crisis, provided the first clear opportunity for this trend. To approve an \$18-billion U.S. government guarantee of additional IMF capitalization, congressional critics of the impact of IMF programs on the developing world's poor joined those opposed to official development assistance in favor of private investment, to enforce greater transparency in IMF loan operations. In 1999, Congress commissioned the most thorough report yet written on restructuring the IMF and the World Bank from a blue-ribbon commission headed by Allan Meltzer of Carnegie Mellon University. The report's recommendations were to constitute the Republican majority's position in fall 2000 as these organizations sought funding to write off bad loans incurred by the poorest developing states, the same loans they had advised these states to take to prosper.

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## **The Poor among Us**

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Maybe the poor, now so often discussed in foreign aid circles, shall always be with us. With the benefit of hindsight, the Clinton administration might be long remembered for an inchoate international development policy that missed the chance to radically reform the multilateral aid program when the United States, with a humming economy, was best positioned to provide leadership for it. The missed opportunity to make the tough choices will leave a legacy of complex problems for the incoming administration not just in confronting world poverty, but also in the cognate areas of international

peace and security in the developing world. This policy vacuum is being rapidly filled by a curious alliance of the enemies of the multilateral trading system—ironically the most dependable mechanism for sustained poverty alleviation—and the traditional opponents of external development aid on Capitol Hill.

At a time of unprecedented global prosperity, according to the latest *World Development Report* from the World Bank, the number of people living in

abominable conditions at \$2 per day now amounts to 2.8 billion. That is close to half the world's population, concentrated in South Asia, Africa, and Latin America, with surging numbers in the "transition" economies of eastern Europe, central Asia, and East Asia. In the wake of the tumultuous rout of the WTO by antipoverty and antiglobalization demonstrators in Seattle as well as the siege of the World Bank and IMF governor's meeting in Washington, the riotous spectacle against the Bretton Woods in-

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stitutions in Prague last September constitutes a useful benchmark to reassess the Clinton foreign policy legacy toward the world's poorest states. With it, the supposed strategic coordinates of global poverty remain prominent: state failure in parts of Africa and Asia; terrorism and regional insecurity; transnational environmental harm; and international criminal syndicates that formed the centerpiece of U.S. external relations, at least in rhetoric.

The Clinton administration came into office in 1993 with unprecedented exuberance. Communism had been disgraced as a solution to economic backwardness. Global poverty and underdevelopment could now be conquered through the adoption of a market-led policy regimen touted then as the Washington consensus: minimal state intervention, macroeconomic stability, market-friendly governance, deregulated free enterprise, and international trade. The East Asian "tiger" economies were offered as a living proof of the regimen's success.

Working then for the international affairs program of the Ford Foundation in Eastern and Southern Africa—regions then wracked by political instability, *dirigiste* economics and corrupt governments—this alternative seemed eminently sensible. Even then, however, many ranking Asian experts such as Chalmers Johnson, the Japanese government, and distinguished economists such as Paul Krugman had their doubts, for very different reasons. From the standpoint of Africa and other impoverished areas, the Washington consensus—actively backed by the U.S. Treasury De-

partment—seemed bereft of the pivotal governance and security component, the specter of whose absence was already raising its head in far-flung places like Somalia, Afghanistan, Haiti, and Bosnia.

There was arrogance among the believers. The Kenyan opposition parties, which had received 60 percent of the vote, were curtly dismissed by the then-managing director of the IMF in 1995. Michel Camdessus rebuffed their daring to challenge a \$180-million credit to the corrupt and autocratic Moi regime. “I am not bothered by what others say,” he told the press, “We are doing what is best for the Kenyans.” In other words, the international monetary father knows best. Within a year, tax funds were stolen by Kenya’s ruling class and the IMF program was off course. The 1997 Asian financial crisis (itself a result of poor governance) and Russia’s default the following year may have humbled the mighty, but the photograph of Camdessus, contemplative with arms crossed as a meek President Suharto of Indonesia signed the terms on an IMF agreement in 1998, will remain etched in the minds of the fans as well as the critics of the IMF.

The Clinton administration leaves office at a time when the implementation of the Washington consensus had, therefore, become highly controversial. Speaking at the World Bank-IMF annual meeting in Prague, U.S. treasury secretary Larry Summers was constrained to mention that macroeconomic reform must henceforth be tempered by anticorruption measures, safety nets for the poor, and complementary governance reforms. The mandarins at the U.S. Treasury Department had reportedly objected to the pungent poverty-alleviation tone of the 2000 *World Development Report* and its lukewarm attitude to the market-led approach of the Washington consensus era.

Additionally, after the Seattle demonstrations, and as the antiglobalization demonstrators were gearing up for their April 2000 Washington rallies, the former chairman of the Council of Economic Advisers in the Clinton White House, Joseph Stiglitz, quit his position as vice president and chief economist of the World Bank to return to Stanford University. He then wrote in the *New Republic* that as far as the IMF is concerned “they [the demonstrators] have a point.” With the situation in momentous flux, the official government position was that of piecemeal appeasement to the critics, reassuring them that the antipoverty posture had been incorporated into the World Bank and IMF programs, in consultation with the “representatives of the poor” who were not always their elected leaders.

## Picture Perfect

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Still there were unforgettable and historic moments in Clinton’s foreign policy to the developing world that many Americans might have missed al-

together. None were more notable than his 12-day visit to six African countries—Ghana, Uganda, Rwanda, South Africa, Botswana, and Senegal—in 1998. Unprecedented in both duration and the local goodwill expressed, this trip was followed by the 2000 visit to Nigeria and Tanzania. Television

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images endure, such as the throngs of Ghanaians in the capital, Accra, surging over the security barrier to shake his hand, demonstrating his and U.S. popularity in Africa. His visit with then-President Nelson Mandela of South Africa at the jail cell at Robben Island that had held the leader is an enduring popular memory. Clinton's public appearance at the Asia-Pacific summit in

Bali wearing a local flowered shirt like all the region's leaders was a public relations success as only he could have done it. Even when criticized for lack of concrete foreign policy achievements, Clinton's visits to China, Bangladesh, India, and Pakistan left more goodwill with the public than many of his critics were willing to concede. The visits were of immense symbolic value to countries previously neglected by U.S. foreign policy. And yet, as the Clinton administration leaves office, the cloud of a nuclear arms race between Pakistan and India hangs over that subcontinent, ironically home to the largest concentration of the poor in the world. In Sri Lanka, the separatist liberation tigers of Tamil Eelam guerrillas, blacklisted as a terrorist group by the United States, continued their brutal war against the government fueled by remittances from the large Tamil diaspora in the west.

To the world's poor, Clinton leaves as his legacy an intellectual capacity to identify the gravest issues they face. Although he was able to do this intellectually and to travel extensively to show that he cared, the results in the end were not there. No one doubts Clinton's compassion for the world's poor. In the end, however, it will be his successor's responsibility to put U.S. money where Clinton's mouth was and to change the inherited global institutional structures to accomplish these tasks.