

A Critical Moment in Time



Vision



The conclusion of an annual report usually focuses on prospects for the new year and beyond. Before doing so, I would like to cite an introduction made by the Danish scholars John Degenbol-Martinussen and Poul Engberg-Pedersen in their foreword to *AID: Understanding International Development Cooperation*, published in 1999:

This is a time of crisis for international development cooperation. The conditions for many areas of cooperation have changed, especially since the end of the Cold War. Cooperation between rich and poor countries has acquired a new meaning for both parties. The forms of cooperation have changed character. This applies to both bilateral and multilateral cooperation, and it also applies to the role of NGOs in both North and South.

I cite this paragraph as it expresses my own sentiments perfectly. I would, however, urge that the negative connotations associated with the word “crisis,” which usually follows in its translation into Mandarin as well as other modern languages, be moderated. “Crisis” is derived from the ancient Greek word “krisis,” which translates into a “critical moment at which a disease could worsen or improve based on the patient’s own to fight and recover.” While the word can carry negative connotations, one should not ignore the potential for a positive result.

From this perspective, any crisis has both an objective and subjective aspect, which is based on the judgment of a doctor and patient, respectively, in the case of its original meaning. According to the opinion of sociologist Jurgen Habermas, if one determines something to be a crisis, a solution must soon be at hand. James O’Connor similarly believes crisis to be not only an objective historical process, but also a critical decision-making moment in subjective historical process as well. Different subjective considerations by researchers, he notes, result in crisis theories with differing foci and inclinations.

Crises, based on the theories advocated by Habermas and O’Connor, fall roughly into four basic categories. These include: (1) Economic crises, which refer to economic system failings that produce inadequate consumer value; (2) Rational crises, which refer to the inability of a decision-making system to produce sufficiently reasonable decisions to support an economic system adequately; (3) Crises of legitimacy, which refer to the inability of a system to win adequate public support; (4) Crises of motivation, which refer to the inability of a social or cultural system to produce actions of significance.

Although I do not intend here to engage in a lengthy academic discussion, I believe it is important to remember that each crisis we face may, in fact, be resolved to our benefit. My citation above noted

the opinion of Degnbol-Martinussen and Engberg-Pedersen on the crisis that currently faces international cooperative development. Their words are an appropriate starting point for the ICDF to formulate its strategy to deal with the needs of these turbulent times. In framing our approach to the future, however, we have chosen to use the term “transition,” rather than “crisis.”

New Concepts in Creating New Areas of Cooperation; Facing Economic Transition

The ICDF has a long and distinguished history. Formed as “Operation Vanguard” in 1961, the organization went through several name changes, as the ROC-Africa Technical Cooperation Committee from 1962, the Committee of International Technical Cooperation in 1971 and the International Economic Cooperation Development Fund in 1989, until the Legislative Yuan formally incorporated the ICDF in 1996. Over its four decades, the organization has donated essential commodities, infused investment, and facilitated greatly needed transfers of technology and experience, helping improve life in many developing nations and underscoring the positive role which Taiwan can play in the international community.

Keeping pace with the realities of today’s knowledge-based global economy, the ICDF continues to adjust its approach to assisting developing and transitioning economies and actively develops new resources and creates fresh opportunities to promote international development cooperation. The ICDF is evolving beyond its longstanding commitment to “teach fishing rather than give fish” to ensure recipients of assistance achieve sustainable progress over the long term.

*Not only guaranteeing enough fish to eat,
Not only teaching how to catch fish,
We help others to locate the ponds in which fish abound.*

This message conveys a commitment, not traditionally covered in assistance operations, to help others identify and use new resources. “New resources” is a term used in the broadest sense. It covers the inclusion of an increasing percentage of the population in productive economic activities, access to new markets, the successful adoption of operations and management technologies, the learning of financing methods, and even learning to innovate and advance on one’s own. All represent resources essential to success in a knowledge-based economy.

Ragnar Nurkse (1907-1959), an American economist and early proponent of the doctrine of “balanced growth,” argued that a nation’s current state of poverty is directly due to its historical poverty.

Sidestepping a debate about the cultural prejudice in Nurkse's statement, he makes an important point about the cyclical nature of poverty. Today, over half of the world's population remains caught in its unyielding clutches.

It is almost impossible for a country to rise from poverty on its own. Friendly assistance is required. This fact is the foundation of foreign assistance and international development cooperation programs and the ICDF's reason for existence. Once a nation can stand on its own, it has the power and responsibility to lead others from poverty.

In his groundbreaking research into economic development for which he won the Nobel Prize for Economics in 1979, British scholar W. Arthur Lewis proposed the following three primary drivers as underscoring all economic development: the quest to economize, the quest for increased knowledge, and the quest for increased capital.

I would like to propose a broader interpretation of Lewis's three primary reasons. In a broad sense, "capital" provides the power to alleviate poverty. Leading a nation to the "pond" referred to in the above example requires economization, predicated on the presumption of a willingness to economize among the general populace. While knowledge is fundamental to catching fish, improper application of such knowledge can deplete the fish population and cause the cycle of poverty to worsen. As a result, operations management knowledge, specifically knowledge that is based on sustainability, must be introduced.

Furthermore, people living in developing nations often lack the prospect of a better life, which spurs a lack of will to economize. Citizens have no understanding of economic operations or how to penetrate new markets. They fear the immense changes brought on by economic development and globalization.

At such a rudimentary stage, providing fundamental information regarding how to economize and about systematic stimuli and other successful experiences helps people in developing countries broaden their vision of the future and increases their willingness to economize. However, a people's willingness to work harder is not a guarantee of economic development. The critical link is the employer's ability to apply knowledge, technology, and capital in investment and to implement specialized production or trade skills in production. Therefore, the relationship between economic development and work is not limited purely by willingness to work or by the level of effort. The effectiveness of work done, the sustainability of social systems, and the proper management of employees also play critical roles. To summarize, the key to making international development initiatives rise above the limitations of the traditional models applied over the past four decades and bring about necessary economic transition is

the ability of a program to create new cooperative areas, establish motivation, achieve effective production and achieve sustainable operations.

New Methods of Strengthening Administrative Systems; Establishing Rational Transition

Returning to my focus on the organization; as the ICDF must follow policies which support new economic concepts, we need to strengthen relevant administrative systems. In 2003, our organization made significant progress in this regard, formalizing a standard operation process (SOP), instituting eight major mechanisms, and specifying 93 areas to be monitored through an internal control system.

Standardization represents only the first step. To prevent inflexibility and maintain direction in international cooperation programs, the ICDF must rethink fundamental concepts and requirements when making decisions.

First, across-the-board planning based on consensus throughout the ICDF organization is a key priority.

Historically, the ICDF stressed “projectized” operations. While this principle continues to have value, we must accept that the real world is much more complex than can be represented in any planning document or model construed within the confines of an office. Rather, international development cooperation occurs in a “super-dynamic” system. It is impossible for planners to account for everything in their plans. Surprises often arise and alter carefully laid out plans.

In our more complex world, team members are required to communicate, debate, and form a consensus on goals at the very start of a project. Changes forced by events during the course of project work may be met by adjustments agreed to by all actors, including ICDF project specialists and managers, MOFA specialists, expert consultants, technical officers, overseas mission representatives, cooperating nation governments, and NGOs, agencies administering projects, and partner financial organizations. This process delivers results that are more effective and long lasting than those achieved by following rigid operational procedures.

Secondly, we must maintain a balanced attitude toward goal management and then procedural management.

After establishing consensus, procedural management is critical to our ability to achieve objectives. Procedures, it must be remembered, are merely the means by which goals are achieved. To maintain the integrity of our goals, we are required to remain flexible and accept changes to procedures.

In the past, procedures most frequently reigned above all else. To address new realities, we must

anticipate unexpected changes and be prepared to handle various situations. Changes are no longer viewed as errors or a breaking of rules. The importance of procedures, while respected, is balanced by preparedness to deal with related inadequacies and unexpected situations in order to ensure that goals are achieved. Willingness to adapt and the ability to react rapidly represent a revolution in operational system thinking. While difficult to achieve, it has profound significance.

Thirdly, we must become familiar with the role we need to take in interface management.

“Interface” takes on increasing importance with the proliferation of conflicting goals and interests. Today, information moves across the globe in real time. As organizations involved in international cooperation and development engage in communication and coordination between differing societies, cultures and nationalities, mishandling of interface issues can cause misunderstandings and conflict. In the past, there were instances in which development staff simply passed project data packages and messages along to others - basically limiting their involvement to that of a message carrier. Such lack of involvement by development staff not only fails to resolve problems, it may result in the creation of more problems. The expectations for oneself in the knowledge-based economic era should be to play an active, positive role to utilize knowledge and produce contributions.

Fourthly, and most importantly, is a need to encourage synergy in the organization’s innovative efforts.

“Synergy” (implying that results achievable by two working together are greater than those achievable by the two working alone) is a concept that the ICDF has long sought to implement. Realizing this objective, however, will require even greater effort from the entire organization. Synergy at the ICDF may best be achieved through organizational innovation.

Information, always essential to the proper functioning of international development, is even more critical in today’s knowledge-based economy. Interface operations can only be accomplished once other tasks, such as information input, are complete. Processes in progress can be revised by making changes to inputs to create new “outputs.” This new method of inputting information and receiving outputs, which progresses in stages, is different from the traditional model, which compiles and processes information at one time. Information flows and information flow management represent distinct new technologies, founded in a new networking logic, which we are gradually becoming more comfortable and familiar with.

Where networking logic is flexible and accepting of change, procedural logic is not. To ensure that information flows smoothly within an organization and procedures are implemented effectively, managers must establish a network-based communications framework. However, it is important to

recognize that achieve goals effectively often requires that components of the networking logic framework cannot be structured. While exceptionally difficult to implement in practice, it is this aspect that facilitates manager innovation and problem solving.

In organizational theory, networking logic requires that interface management retain a framework that is pliable and adaptable. American sociologist Kevin Kelly, in his 1995 classic, *Out of Control: The New Biology of Machines, Social Systems and the Economic World*, demonstrates this in a brilliant prediction:

The atom is past tense. The scientific symbol of the next century's dynamic will be the Internet. The atom represents pure simplicity, while the Internet represents the vast force of complexity. The Internet is the only thing that enables one to grow without bias and whose organization can be studied without formal instruction. Other forms have the possibility of facing restrictions. The Internet is the most unstructured of organizations, but it can be said that it has a clear structure. Actually, all sorts of different things can be combined in the Internet. Chains, pyramids, branch systems, circles, jagged items can all be integrated and be compatible on the Internet.

The ICDF must understand and reflect this concept in its organization and work. We need to establish information and communication networks that manage data exchange within the ICDF and between the Fund and outside. We must develop the capacity to utilize information management techniques to foster and attain synergy.

New Attitudes and Social Interaction; Establishing Legitimacy

As Taiwan's only international development organization, the ICDF has over the past three years worked diligently to communicate with all other relevant groups, providing transparent information and strengthening the public's understanding and knowledge regarding our mission and activities. The result has won for us broad-based support.

In addition to our annual reports, published in Chinese, English and Spanish, the ICDF since 2002 has published a regular bi-weekly electronic journal. During that same year, the ICDF released through a commercial publisher the first in a series of books on international cooperative development entitled, *Sharing Our Fortunes with the World: Eight Stories of the Taiwan Spirit*. The following year saw another four ICDF books released, including the English-language *To Touch the World: Stories of the Taiwan Spirit*, the Chinese-language *Travel with Love*, and two picture books (in Chinese/English and Chinese/French) entitled, *Greening the Sahel: The Taiwan Experience in Burkina Faso*.

The ICDF has also further broadened and diversified its Overseas Volunteer and Youth Overseas Service programs. To attract more young talent to these programs, the ICDF in 2001 began a regular schedule of recruitment visits to vocational schools and universities. In February 2004, the ICDF will sponsor a special chair for international cooperative development management within National Chengchi University's College of Commerce to integrate academic with practical experience and give international development cooperation a higher profile in Taiwan society.

New liberal attitudes and a commitment to open interaction with the greater Taiwan public will help ensure our continued legitimacy and support. This is the ICDF's most important challenge and greatest opportunity as it matures into the 21st century. Four major operational directions in which we look to secure stable and positive growth in the near term include:

- (1) Overseas Volunteer and Youth Overseas Service: The ICDF plans to expand recruitment of overseas volunteers, both in the young adult (25–39 years of age) and senior service (40–69 year of age). Servicemen who volunteer for the Youth Overseas Service program in lieu of national service will comprise the backbone of our overseas missions, enabling more Taiwan nationals to participate directly in international development work. Both initiatives will continue to foster greater appreciation of global issues and needs among Taiwan's general populace and ensure that the younger generation has a core of experience in international cooperation.
- (2) Publishing: The ICDF will continue to add to its series of books on international development. In addition to regular periodicals, the ICDF is considering the potential for publishing journals of more interest to researchers and academic institutions. The ICDF will also continue to publish illustrated books tailored for school-aged children as well as electronic journals.
- (3) Public Participation: This direction will include regular exchanges with regional NGOs, civic organizations, local governments, and other civil society groups.
- (4) Cooperative Development Education Assistance: The ICDF will continue to sponsor lectures at colleges and universities and arrange promotional visits to schools from elementary grades through university by ICDF workers, volunteers, and Youth Overseas Service program staff. The ICDF will also be planning relevant study courses for college and university students to be held during winter and summer holidays.

We believe that through greater interaction with society and participation in public events, the general public in Taiwan will better appreciate and support the goals of the ICDF and its operations. The result must be a stronger foundation for our international cooperative development operations.

A New Vision of Development Cooperation; Defining Motives

We must understand clearly our purpose and objectives in order to make others aware of and appreciate our efforts. Objectives which raise the most questions are often those which require revision. Our spending of resources on helping countries far from Taiwan's borders while pockets of poverty continue to exist in our country is a concern which is raised often with regard to the ICDF's work.

We can respond to this concern on three different levels. The first is the conviction that all of humanity belongs to one unified family. As such, we should do our utmost to help others. A poem by the modern Taiwan poet, Lo Men, captures this feeling, and our common responsibility for one another, in *All Mankind Is Wandering About*.

*People move about on the train,
The train moves about the globe,
The globe moves about in space,
Space moves about within the vastness,
No one can get off.
The addresses printed on name cards,
Are all wrong.*

We are all passengers on the same train that rolls incessantly about the globe. Although I may specify the ICDF's address as the Shihlin District in Taipei, Taiwan, I could just as well say our address is "earth." Our global environment impacts directly upon the fate of every terrestrial "passenger." Those who find themselves in fortunate circumstances have a responsibility to assist those in difficulty. Against the dark vastness of space, the distance between ourselves and our fellow citizens is minute. In light of this, while we must of course work to solve the hardships facing people in Taiwan, we also have a responsibility to we need to reduce overall poverty within the international community.

Next, from a perspective of personal interest, developed nations are increasingly aware that the gap which separates the relatively wealthy "North" from the poorer "South" could derail their own prosperity and signal a serious failing of the capitalist way. The terrorist attacks in New York on September 11, 2001, and other such acts around the world, may well reflect the undercurrent of resentment caused by unbalanced growth. If we all stand idly by, allowing the wealth gap to widen and injustices to continue, hardships will only worsen and barriers to using terror and other desperate measures will lessen. The validity on the motivations of terrorism is secondary to realizing that terrorist

acts threaten the prosperity that we have worked so long to achieve. Imbalances lead to instability. If those with influence do not attempt to improve the situation, increasing conflict could destroy the foundations of prosperity for us all. A large part of the reason for international cooperation and development is based on a rational analysis and the realization that assistance, in the end, helps to lessen global tensions and lower the risk to the international community.

Finally, we must consider the issue from the standpoint of Taiwan's own development experience. Taiwan, with no significant natural resources of its own and severely damaged in the Second World War, employed effectively the assistance received from the United States up to 1973 to stand on its own and execute a staged development to become the modern and sophisticated economy it is today. Leveraging the assistance provided from other countries, Taiwan found its position in the international division of labor, generating new wealth and development opportunities. The Taiwan economic miracle owes a tremendous debt to the United States and the assistance it provided during Taiwan's critical years of growth after 1945.

Our experience implies that we have a responsibility to make our own positive contribution to the international community of nations. Countries at the lower end of the development scale are in desperate need of assistance and we have an opportunity to export the "Taiwan miracle" by cooperating with friendly and allied developing countries.

Between the two extremes of exploitation and assistance there exists a third road—that of development cooperation which aims to spread economic prosperity. We need to be clear regarding our motivations in proceeding forward. We are dedicated to help improve administrative systems, identify new resources, create new opportunities, establish new partnerships, and develop new models of cooperation and division of labor.

Keeping abreast of key development trends is critical to strategic success and understanding and integrating these latest trends into our work will help us clarify and attain our goals in the new year and beyond.



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