Negative Brief: Millennium Challenge Corporation - bad

By “Coach Vance” Trefethen

***Resolved: The United States federal government should substantially reform its foreign aid.***

Summary: AFF plan increases federal funding for the Millennium Challenge Corporation, an independent U.S. Government foreign aid agency. MCC was established in 2004 by Congress as a separate foreign aid agency outside of the State Department and the US Agency for International Development. Its annual budget is $800 million. It does foreign aid projects designed to improve conditions in poor countries. Its special claim to fame is that it sets standards and conditions countries have to meet, rather than just giving aid to anyone. Countries have to meet a set of conditions (democratic government, reduced corruption, free markets, etc.) to qualify. Countries then (allegedly – we’ll see about that in the NEG brief) propose projects known as “compacts,” which are agreements that they will use the aid for that project and continue to meet the qualifying standards. If they backslide, the aid gets canceled.  
  
NEG strategy is that MCC was built on a lie, during the scary times right after 9/11. Pres. G.W. Bush wanted to boost foreign aid, but Congress wouldn’t vote for it. But when he linked it to fighting terrorism, suddenly everyone wanted it, and that’s how he sold MCC to the public and Congress. Of course, MCC has never done anything about terrorism and the countries that receive aid have nothing to do with boosting national security. MCC is really about extending US economic and political influence into more countries, not about actually helping them in any meaningful way. The “standards” countries have to meet (supposedly to make them more democratic and responsible to qualify for aid) are bogus and vague, if MCC even follows them at all. The aid programs are just rehashes of the same old thing USAID has been doing for years.

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NEGATIVE PHILOSOPHY

Built on deception and lies: MCC was sold to Congress as part of the “war on terrorism” but it’s all smoke and mirrors. We need to question why it even exists

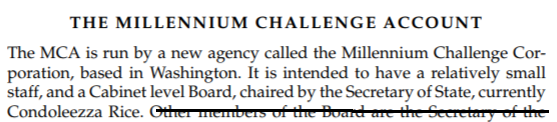
Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University ) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html>

And, we may see eventually what develops if the driving frame of war, insecurity, and fear ends and the MCC is challenged again but in a new light and frame. This may lead to further expansion and modifications of the framing model, if not condemnation on the potential deception and lies that led to a multibillion-dollar program being created. All of this makes the future very exciting for scholars, but it also means a lot of hard work. Given the billions of dollars meant to help impoverished people throughout the world and supposedly to stave off terrorism, research on the MCC continues to remain important, if only to eventually conclude that it failed to achieve its original objectives and, thus, should be ended. Scholars are needed to journey through this politically loaded mind field that is fraught with smoke and mirrors and includes every type of superficial and complex trap.

DEFINITIONS

MCA = MCC. Millennium Challenge Accounts are part of Millennium Challenge Corporation (some NEG evidence refers to MCA)

Emma Mawdsley 2007 (faculty of the Dept of Geography, Cambridge University, England) The millennium challenge account: Neo-liberalism, poverty and security , REVIEW OF INTERNATIONAL POLITICAL ECONOMY, Aug 2007 <https://www.academia.edu/1582997/The_millennium_challenge_account_Neoliberalism_poverty_and_security1> [this web site requires a free login to read its articles, so if you look up this article, the final URL will be different from this one]



SOLVENCY

1. Not focused on the poor

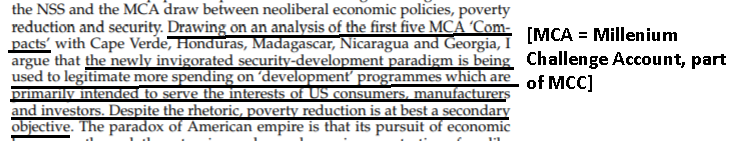
MCC has no requirement to actually help the poor, so they help the rich. Example: tourist hotels in Zanzibar

Matt Kennard and Claire Provost 2016. (Kennard is researcher for Action on Armed Violence in the UK. He was previously a fellow, and then Director, at the Centre for Investigative Journalism in London. Provost is a fellow at the Centre for Investigative Journalism in London) How Aid Became Big Business 9 May 2016 <https://pulitzercenter.org/reporting/how-aid-became-big-business>

John Sakia, a project manager at Tanesco, drove us to the coast, not far from the Tanzanian capital of Dar es Salaam, to see one of the MCC’s flagship projects in the country — a 100-megawatt submarine transmission cable that connects the island of Zanzibar, famous for its tourist resorts and white sand beaches, to the mainland’s electrical grid. Part of the construction work was contracted out to an Indian company. A Japanese firm was involved in laying the submarine cable. Sakia says his job was to see that these companies implemented the project as the MCC had outlined. The chief beneficiaries of the new Zanzibar cable will be the tourists who visit the island in increasing numbers. In a country where [only two percent of people in rural areas have access to electricity](http://www.undp.org/content/undp/en/home/ourwork/environmentandenergy/strategic_themes/climate_change/carbon_finance/CDM/tanzania.html), it might seem a strange place to spend millions of aid dollars. Sakia says there were plenty of other electricity projects given for consideration to MCC that were rejected. “Most of the projects which were rejected were distribution projects. This is a transmission project. Distribution projects, most of them were dropped by the MCC because they said the funding was limited,” he said. To get electricity out into the rural areas, distribution is what needs to be focused on. Mchomvu was, however, unashamedly clear about whom this project benefitted:  
If you go to Zanzibar now, the hotels are very happy because they have very good power supply. Earlier it was frustrating for tourists because the hotel power went off at 10 p.m., then you have to start using candles in the hotels. You don’t come from Europe all the way to Zanzibar for candles.

Main focus of Millennium Challenge is to serve the interests of US businesses. Poverty is at best a secondary objective

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2. MCC doesn’t combat corruption

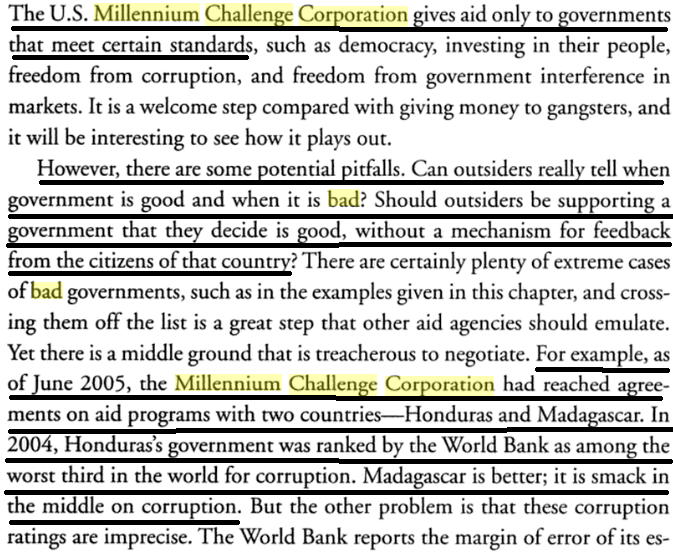
MCC uses measurements of corruption that are meaningless

Casey Dunning, Jonathan Karver, and Charles Kenny 2014 (Dunning – Center for Global Development Policy Fellow at USAID; formerly a senior policy analyst for the US Development Policy Initiative at the Center for Global Development. Dunning previously worked as a senior policy analyst for the Sustainable Security and Peacebuilding Initiative at the Center for American Progress. Karver – with Center for Global Development. Kenny – Director of Technology and Development and Senior Fellow for Center for Global Development Policy Fellow at USAID ) Hating on the Hurdle: Reforming the Millennium Challenge Corporation’s Approach to Corruption, March 2014 <https://www.cgdev.org/sites/default/files/hating-hurdle-handling-corruption-mcc.pdf>

Control of corruption is about an undelineated and unmeasured set of actions (accountancy, policing, civil society organization oversight, and the like) around a loosely defined concept (corruption). It is plausible to imagine measuring child mortality precisely, with effectively no argument over the resulting statistic as a measure of what it seeks to describe. The same is completely untrue of control of corruption. Still, it should be noted that the charge of “fuzzy measurement of a fuzzy concept” could be leveled at many other MCC indicators—indeed at the considerable majority of indicators in both the ruling justly and economic freedom categories. It would be worth examining what proportion of annual changes in country compact eligibility as a whole are driven by statistically insignificant changes in such underlying indicators, but that is beyond the scope of this paper

MCC funds corrupt governments because their standards don’t work

Dr. William Easterly 2006. (PhD in economics) THE WHITE MAN’S BURDEN: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good <https://books.google.com/books?id=5Iw5IZCTh-kC&pg=PA155&lpg=PA155&dq=millennium+challenge+corporation+bad&source=bl&ots=7pSN_W9Oog&sig=iRfIVE2sbTJdlnJKSF-uWA9DB-Q&hl=en&sa=X&ved=2ahUKEwi_vr7bmYXfAhUJ0KwKHa81Ddg4HhDoATACegQIBxAB#v=onepage&q=millennium%20challenge%20corporation%20bad&f=false>



MCC still funding Honduras in 2018

Alexandra Eppenauer 2018. (writer for The Borgen Project, a non-profit organization combatting world poverty and hunber) “[Six Facts About Healthcare in Honduras](https://borgenproject.org/healthcare-in-honduras/)” Aug 2018 <https://borgenproject.org/tag/millennium-challenge-corporation/>

The Millennium Challenge Corporation (MCC) has started a $15.6 million Threshold Program in Honduras that is trying to improve government efficiency and transparency. Part of this program includes social audits of healthcare clinics in rural areas by nonprofits and grassroots organizations in Honduras.

Honduras is corrupt

Associated Press 2018 (journalists Christopher Sherman, Martha Mendoza and Garance) 26 Jan 2018, “Honduras’ national police chief helped cartel move 1,700 lbs. of cocaine, report says,” <http://www.chicagotribune.com/ct-honduras-police-cocaine-20180126-story.html> (DEA—Drug Enforcement Administration)

High-ranking Honduran police officials have been accused of ordering assassinations, trafficking cocaine and leading criminal gangs. At least six former National Police officers are currently facing U.S. criminal charges in a federal court in New York and the DEA says their investigations into Honduras police corruption are still active.

3. “Market Reforms” don’t work. MCC tries to get countries to implement market reforms, but it won’t work

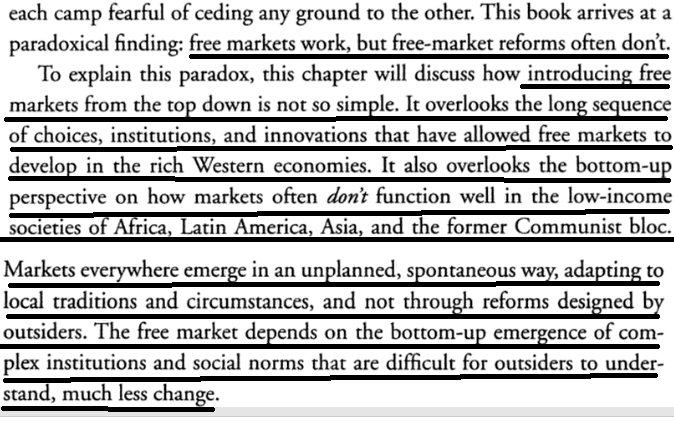
Link: MCC is supposed to get poor countries to adopt free markets

Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html>

Bush elaborated on his grand plan by emphasizing that   
“in return for this additional commitment, we expect nations to adopt reforms and policies that make development effective and lasting. good government is an essential condition of development, so the Millennium Challenge Account will reward nations that root out corruption, respect human rights, and adhere to the rule of law. Healthy and educated citizens are the agents of development, so we will reward nations that invest in better health care, better schools, and broader immunization. Sound economic policies unleash the enterprise and creativity necessary for development, so we will reward nations that have more open markets and sustainable budget policies, nations where people can start and operate a small business without running the gauntlets of bureaucracy and bribery” (Public Papers of the Presidents of the United States: George W. Bush, 2002, Remarks at the Inter-American Development Bank, March 14, 2002).

Failure: Free markets don’t develop successfully when pressured from outside. It has to come from the bottom up

Dr. William Easterly 2006. (PhD in economics) THE WHITE MAN’S BURDEN: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good <https://books.google.com/books?id=5Iw5IZCTh-kC&pg=PA155&lpg=PA155&dq=millennium+challenge+corporation+bad&source=bl&ots=7pSN_W9Oog&sig=iRfIVE2sbTJdlnJKSF-uWA9DB-Q&hl=en&sa=X&ved=2ahUKEwi_vr7bmYXfAhUJ0KwKHa81Ddg4HhDoATACegQIBxAB#v=onepage&q=millennium%20challenge%20corporation%20bad&f=false>



4. Doesn’t combat terrorism

Link: MCC was founded on the claim that it would fight terrorism

Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University ) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <https://www.questia.com/library/journal/1P3-4265190531/humanitarianism-goes-to-war-9-11-and-the-origins>

Prior to 9/11, very few people inside and outside of Congress supported Bush's proposal for expanding foreign aid, despite his appeals to their hearts and values. After 9/11, Bush changed his framing and added the fear and security variables to the equation. He declared that increasing foreign aid would promote global economic development and that, in turn, would reduce the chances of terrorism taking root and striking back at America. Bush made foreign aid a central component of the war on terror anda means to, possibly, saving thousands of American lives in future terrorist attacks. The new framing, eventually, worked and the MCC was passed by Congress.

Failure: MCC money isn’t spent with any regard to any links to terrorism

Steven Dobransky 2015 (Adjunct Professor at Cleveland State Univ and Lakeland College; Ph.D. student in international relations and justice at *Kent State* Univ. ) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE & CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html> (brackets added)

The President signed it into law on January 23 [2004], The Millennium Challenge Corporation, thereafter, became the centerpiece and new model for U.S. foreign aid. It, however, reflected Bush s original frame of foreign aid as a humanitarian mission but it included stricter standards of eligibility, which appealed to conservative Republicans. The MCC, as noted earlier, used seventeen sets of criteria for scoring applicants and determining eligibility to receive foreign aid. There, however, was nothing in the criteria and scoring that had anything to do with the war on terrorism or a country s vulnerability to terrorists.

Failure: MCC never lived up to the claim it would fight terrorism – the money went elsewhere

Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html>

The research paper concludes with the overall results, from the subsequent passage of the MCC to its creation and funding operations. It emphasizes how framing does not necessarily mean telling the truth, as much of the MCC s financial allocations ended up going to recipients who were not considered by most measures and people to be on the frontlines of the war on terrorism. It makes clear that perceptual changes may lead the public and Congress to support a policy program but, once it is passed and set in motion, the original intentions may return to the forefront and determine its course and objectives.

Failure: Even if MCC reduced poverty, it wouldn’t matter. Poverty has no link to terrorism

Marc-Oliver Cantin 2018 (Founded in 1947, the Journal of International Affairs is a leading peer-reviewed journal published by the School of International and Public Affairs at Columbia Univ.) 29 April 2018 “Reexamining the Terrorism-Poverty Nexus” <https://jia.sipa.columbia.edu/online-articles/reexamining-terrorism-poverty-nexus>

In an influential study comparing worldwide incidents of terrorism with percentages of the global population below the poverty line between 1981 and 2006, James Piazza showed that the number of transnational terrorist episodes has largely fluctuated over these years while the world poverty rate has remained mostly constant, following a slight decline (see Figure 1). Hence, the asynchrony between these two trends indicates that there is no meaningful correlation between the share of the world’s population under the poverty line and the prevalence of terrorism.

5. No advantage over existing aid

MCC is the same old thing, just repackaged and some new hype

Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html>

 It, soon, emerged that Bush’s old policy goals on foreign aid were being revamped and re-characterized to fit the new and threatening environment, in order to appeal to a more susceptible public and Congress. It, essentially, was new packaging and marketing for the same old product, as would be seen. Everything built up and was finally revealed on March 14, 2002, which was a day to remember. President Bush, it was recalled, sat in his office as his aides rushed frantically around him. A very important visitor was scheduled to see him next to discuss a newly proposed foreign aid approach called the Millennium Challenge Account (MCA). The MCA was intended to be a major funding project administered by the Millennium Challenge Corporation (MCC). The MCC, itself, was supposed to be structured along business lines and hold potential foreign aid customers to much higher standards of progress and accountability in receiving U.S. foreign aid. It, also, by its name reflected a link with the UN s Millennium Development Goals to reduce extreme poverty and misery hence, its similar name.

No advantages: MCC spends its money on the same old programs as previous foreign aid

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What was illuminating was the specific percentage breakdown of the disbursements: 38% Transportation; 22% Agricultural; 9% Program Administration and Oversight; 8% Water Supply and Sanitation; 7% Financial Enterprise Development; 6% Health, Education, and Community Services; 4% Energy; 4% Governance; and, 2% Monitoring and Evaluation (Millennium Challenge Corporation online). This distribution suggested that despite its official declarations of emphasizing democracy and free markets, the MCC spent most of its money on transportation and agricultural programs, which was very similar to USAID and other older foreign aid programs that promoted infrastructure development.

MCC: Failed at its original goal of fighting terrorism and faded into just another failed foreign aid program

Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html>

If one chose to remember what the MCC was created for, then one could conclude that this was a major failure in the war on terrorism and that it was threatening the lives of thousands, if not millions, of people throughout the world. The MCC s extremely slow operations and minimally observed effects could be tantamount to a national security crisis if it was truly intended to be a critical instrument in fighting terrorism. There, likely, were few people who noticed how far off the MCC went from its initially stated public justifications and where it ended up. If, however, one considered George Bush’s original pre-9/11 foreign aid intentions and goals to be the true and primary justifications, then the MCC turned out to be exactly what one would have expected and could have observed for half a century under USAID and other foreign aid programs. As the terrorist threat decreased to be a dominant fear in the American public s mind, the MCC faded away and was lost among the many other failed foreign aid programs, both from a socio-economic perspective of the recipients and the fact that terrorism expanded massively throughout the world during the MCC s time.

6. Administration expenses and bureaucracy

MCC spends more money administering and overseeing itself than it actually spends on aid

Steven Dobransky 2015 (Adjunct Professor at Cleveland State University and Lakeland College; Ph.D. student in international relations and justice at *Kent State* University) Humanitarianism Goes to War: 9/11 and the Origins and Framing of the Millennium Challenge Corporation, JOURNAL FOR THE STUDY OF PEACE AND CONFLICT, Jan 2015 <http://docplayer.net/54925784-Journal-for-the-study-of-peace-and-conflict.html>

What was also notable was that the MCC contributed more money on the administration and oversight of its programs than on governance, finances, education, and water. One could ask why more money goes into overseeing the program than to promoting directly democracy and free markets, let alone other important programs. This evidence indicated that the MCC was regulating strenuously its operations and disbursements to the point that some may consider extreme. This could become a significant problem in the future, both politically and diplomatically, especially when the fear of terrorism settles down from its 9/11 heights. For now, however, the MCC appeals emotionally to the domestic public and the dominant political base.

Criteria for which countries get aid are so complicated that the whole thing bogs down in bureaucracy

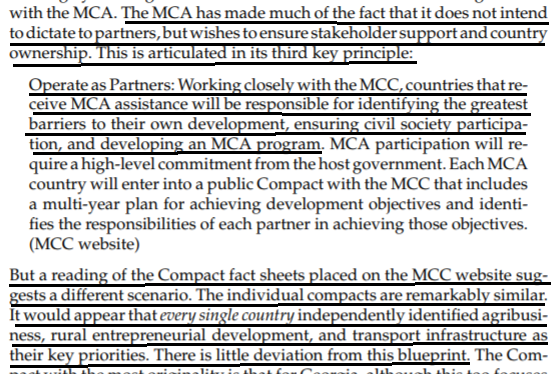
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The overly complex issues and, more importantly, who in the world could evaluate accurately all these elements made the MCC a typical version of unproductive and bogged down bureaucracy, despite its intended business model. The relatively small numbers of employees guaranteed that few if any could ever leave their workplace and investigate firsthand the applicants, let alone examine the implementation and success of all these financial disbursals. The MCC appeared to be a classic version of good intentions run amok in bureaucratic paperwork.

7. Cookie-cutter solutions dictated from Washington

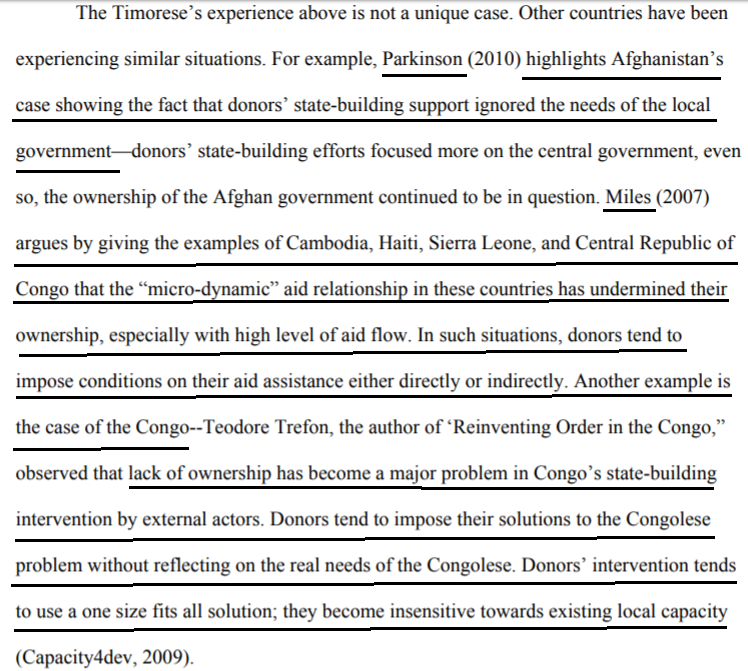
Link: MCC claims poor countries come up with their needs and ideas. But actually it’s all coming from Washington

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Impact: Doesn’t work. Cookie cutters are great for cookies, but foreign aid fails when outsiders dictate one-size-fits-all solutions

Laurentina Soares 2011 (master’s degree candidate at Center for International Studies of Ohio University) Aug 2011, Foreign Aid for State-Building: A Comparative Study of Australian and Chinese Aid Programs in Timor-Leste <https://etd.ohiolink.edu/rws_etd/document/get/ohiou1314039039/inline>



DISADVANTAGES

1. Cheating the poor

In El Salvador, MCC changed the rules of the aid AFTER the deal had been signed: Made them take seeds away from poor farmers

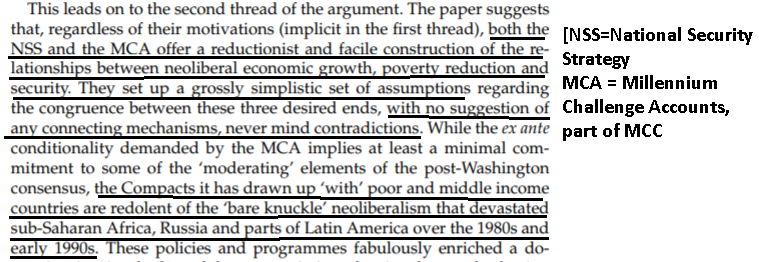
Michael Busch 2016 (journalist) 29 Jan 2016 “Capitalism Won’t Save El Salvador” <https://nacla.org/news/2016/01/29/capitalism-won%27t-save-el-salvador> (brackets added, ellipses in original)

According to [MCC Board Member, Susan] McCue, her organization enjoys enthusiastic support not just from government officials and local elites, but from ordinary Salvadorans. “At a farm cooperative, workers talked about their gratitude to MCC for providing training and tools that allowed them to diversify into more lucrative crops.” These aren’t simply perceived improvements, McCue argues. “Poverty rates in Chalatenango — where a large portion of MCC’s investments were made — are down.” What McCue’s glowing review omits is that the MCC actively coerced the government — apparently at Washington’s direction — to roll back a social welfare program targeting poor rural farmers, among other demands. The program in question, a free seeds and fertilizer plan initiated by El Salvador’s previous president, was designed to prevent hundreds of thousands of subsistence farmers from experiencing food insecurity. Instead it was deemed in violation of the Central America Free Trade Agreement. The MCC withheld hundreds of millions of development dollars — part of a second, successfully negotiated compact — until the government agreed to eliminate the subsidy and open local seeds markets to international competition. Even supporters of PPPs [public-private partnerships] were alarmed. As Oxfam [noted](http://politicsofpoverty.oxfamamerica.org/2014/09/new-compact-el-salvador-mcc-sticking-deal/) at the time:  
What is concerning about this scenario is that new, eleventh-hour conditions, unrelated to a compact’s content, risk interfering with the formula that served MCC and the Salvadoran people so well during the first compact . . .In fact, attaching new conditions after a compact has been negotiated and approved by the MCC board comes uncomfortably close to replicating the worst history of conditionality in development aid, where reforms aim mainly at donor interests, or become a box-checking exercise to release aid funds.

2. Already tried, failed, and made things worse

MCC is just a repeat of policies that already failed in the 1980s and devastated poor countries back then

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3. Social oppression

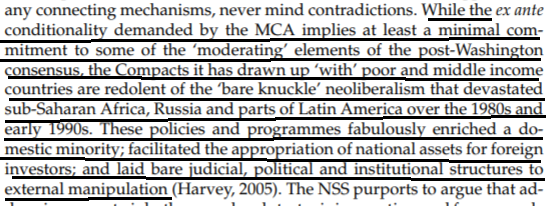
MCC doesn’t help ordinary citizens, it enriches the powerful and deepens inequality

Joanne E. Davies 2017. (with the School of Agriculture, Policy & Development, Reading University, England) “Does the Millennium Challenge Corporation reinforce capitalist power structures or empower citizens?” THIRD WORLD QUARTERLY (article was written in 2017 and published in 2018) <https://www.tandfonline.com/doi/full/10.1080/01436597.2017.1401463>

 The Millennium Challenge Corporation (MCC) – the only development agency to grow in influence under the Trump administration – is evaluated in the light of these two key themes. Neither China nor the private sector is successful in achieving ‘mutual benefit’ for ordinary citizens – both replicate existing power inequalities. As with the rise of both China and the private sector, the MCC also enmeshes developing countries further into the existing neoliberal capitalist structures.

MCA policies enrich the elites in poor countries, rip off national assets for foreign investors, and mess up judicial and political structures

Emma Mawdsley 2007 (faculty of the Dept of Geography, Cambridge University, England) The millennium challenge account: Neo-liberalism, poverty and security , REVIEW OF INTERNATIONAL POLITICAL ECONOMY, Aug 2007 (brackets added) <https://www.academia.edu/1582997/The_millennium_challenge_account_Neoliberalism_poverty_and_security1> [this web site requires a free login to read its articles, so if you look up this article, the final URL will be different from this one]



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