

American

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United States Seeks Expanded Exports to Bolster Its Economy

By Merle David Kellerhals Jr.
Staff Writer

Washington — One of the critical lessons learned from the recent recession is that America needs a new growth model — one based on exports and investment and not one largely dependent on consumption — and a new export initiative has been launched to address that need, says U.S. Trade Representative Ron Kirk.

“Export-driven growth can be a platform for economic recovery in the short term and economic prosperity in the longer term,” Kirk said during a recent speech at the Detroit Economic Club in Michigan, a state hard-hit by the steepest economic recession since the Great Depression of the 1930s.

In his recent State of the Union address, President Obama called for doubling American exports in five years. To support that objective, he created the National Export Initiative, which is a governmentwide program to shift the American economy from being largely consumer-driven to being something it has not been in more than a half century: export-driven, Kirk added.

“Exporting businesses grow faster, add jobs faster and pay higher wages — 17 percent higher, on average, in the manufacturing sector — than other companies,” Kirk said in Detroit. “Our role in the National Export Initiative is reflective of our role as an agency: to tear down barriers to trade and open up new opportunities for American businesses to grow and create jobs through exports.”

The emphasis on exports over imports coincides with a broader finding by the Group of 20 most advanced and emerging industrialized economies in the aftermath of a sweeping global recession that affected nearly every nation. One of the conclusions by the G20, which held 2009 summits in London in April and Pittsburgh in September, is that those nations that are export-driven need to soften that engine and allow for greater consumption, while nations that are largely consumer-driven, such as the United States, need to foster greater export trade.

The objective is to create a framework designed to shrink surpluses in export-rich countries such as China and boost savings in debt-laden nations, including the United States, to develop a balanced global economy. Another conclusion is that unless a balanced global economy is achieved, or as near as practical, there will continue to be growth and recessions causing significant economic disruptions, such as the most recent recession.

TRADE DEFICIT CONTINUES

According to a recent trade report by the U.S. Commerce Department, the U.S. trade deficit in 2009 totaled \$380.66 billion, the smallest trade imbalance in eight years. That was because a recession that began in December 2008 sharply cut into imports, lessening consumer demand as consumers spent less on nonessentials. But government economists believe that will shift in 2010 as demand for imports exceeds U.S. export sales as the U.S. economy enters the recovery phase from the recession, the Commerce Department reported.

The trade deficit with China, the largest with any nation, was \$226.83 billion in 2009, down 15.4 percent from the record set in 2008 of \$268.04 billion, the Commerce report said. However, economists say that will change as the U.S. economy recovers and consumer demand for low-cost items increases this year.

The Commerce report also said that a factor supporting U.S. exports last year was that the decline in the dollar against the euro and other foreign currencies made American-made goods more competitive to consumers abroad.

But part of the concern among U.S. corporations is that the United States continues to compete in a global market that is not level. Kirk said he understands that concern and so does the president.

“It is not enough to just open new markets. USTR is also charged with keeping markets open — making sure that the level playing fields and the rights we’ve negotiated in our global trade agreements aren’t just written on paper, but are real engines of economic growth and job creation at home,” Kirk said.

Kirk said that the United States is trying to resolve issues on the Colombian, Korean and Panamanian free trade agreements (FTAs), which have been pending before Congress for years. In particular, Kirk acknowledged that the U.S. auto industry, which is largely headquartered in Detroit, is concerned about the trade agreement with Korea.

“Given the history of Korean protectionism in the auto sector, there are questions about whether the FTA will establish a level playing field for U.S. automakers and automotive workers,” he told his audience. “The administration would like to get the U.S.-Korea FTA into a place where it can be passed by Congress because we see the significant economic and strategic benefits it could bring us.”

Treasury Secretary Timothy Geithner said at a recent congressional hearing that the United States cannot be

competitive in foreign markets without the benefits of strong trade agreements. The three pending trade agreements were proposed and signed by then-President George W. Bush, but have languished in Congress over concerns that other nations are not doing enough to permit freer trade.

The president told a joint session of Congress that improved export-driven trade can help create 2 million more jobs over five years under his proposed trade initiative.

For the farm sector, expanding global trade exports is critical. In 2009, agricultural exports totaled \$100 billion worth of farm products and that helped to support a rising agricultural trade surplus, Kirk said in a recent speech at the 2010 Agricultural Economic Outlook Forum in Washington. While the global recession dampened farm exports as it did most other sectors of the economy, Kirk said, with the recovery comes an increase in every kind of trade.

Reducing barriers through the World Trade Organization will remain a significant part of leveling the field, Kirk said. And Kirk added that the United States has begun taking the first steps toward a new Trans-Pacific Partnership to expand U.S. trade through the Pacific.

Muslim-American Aid Groups Meet Haitian Relief Challenges

Interfaith partnerships continue to work on relief operations

By M. Scott Bortot
Staff Writer

Washington — One month after an earthquake devastated Haiti, Muslim-American aid groups remain committed to continuing their relief work in the impoverished country. Although faced with daunting challenges, Muslim-American relief workers are striving to meet earthquake victims' immediate and long-term needs.

"The biggest challenge has been logistics," Islamic Relief USA's Mostafa Mahboob told America.gov. "Getting supplies in there quick enough to try and meet the needs has been a major challenge."

Despite the logistical hurdles, Islamic Relief USA is providing assistance to those who need it most. Islamic Relief opened one of Port-au-Prince's first tent clusters, sheltering some 100 families made homeless by the earthquake. Families at the tent cluster receive kitchen and hygiene kits and, according to Mahboob, more than a thousand more tents are on their way.

A major component of Islamic Relief's Haiti relief success has been its partnership with the Church of Jesus Christ of

Latter-day Saints (Mormons). In cooperation with the church, Islamic Relief shipped some 160,000 pounds (72,575 kilograms) of supplies to Haiti.

The Zakat Foundation also faces challenges in transporting supplies to Haiti via the Dominican Republic, its executive director, Khalil Demir, told America.gov. Because the need is so great, the Zakat Foundation tries to find additional supplies locally — from international aid distributors — to supplement what it can bring in over the border.

The overwhelming need for supplies leads to another logistics challenge.

"There is so much bureaucracy while there are people out there dying," Demir said, frustrated with the pace relief workers can access supplies from international aid distributors. "Food is just sitting in warehouses waiting to be distributed."

Short supplies of food, water and medicine continue to vex both Islamic Relief USA and the Zakat Foundation's relief operations. Currently, both groups are distributing humanitarian relief through partnerships.

The Islamic Medical Association of North America (IMANA) and the Zakat Foundation's Haiti partnership increases the effectiveness of their relief efforts. IMANA and the Zakat Foundation have developed an exchange program.

"We provide them with food to distribute to patients at their clinic," Demir said. "In turn, they provide us with doctors."

IMANA's doctors treat some of the thousands of children fed daily through the Zakat Foundation's Care Center at St. Clare's Church in Port-au-Prince. The Zakat Foundation also supplies food and water directly to an additional 700 orphans at a camp near the church.

Raising funds to maintain their operations continues to be a concern for the Zakat Foundation and Islamic Relief USA as Haiti's plight begins to slip out of the public eye.

"Without public support we can't continue with our relief efforts," Mahboob of Islamic Relief said. Islamic Relief initially launched a \$1 million appeal to help Haitian earthquake victims, but raised it to \$2.5 million in the wake of the tragedy. To date, the group has raised nearly \$2 million.

On Catholic Bishop Thomas Gumbleton of Detroit's recent visit to Haiti, Demir said, he praised the Zakat Foundation's work and said he hopes to raise funds for its operations at St. Clare's. In addition to funds raised in the

United States for its Haiti operations, Demir said, his organization has received funding from places as far away as Indonesia.

Local mosques also are integral to both Muslim-American relief groups' humanitarian efforts. Food and other supplies are distributed to local mosques that are helping their communities. One particular mosque is even housing some 150 people – most of them non-Muslims – according to Demir.

As shown by the experiences of Islamic Relief USA and the Zakat Foundation, interfaith cooperation is crucial in meeting the needs of Haiti's earthquake victims. Representatives of both organizations believe in a long-term commitment to help the impoverished country.

"Kids were hungry before in Haiti," Demir said. "And now the problem is not going to go away for a long time."

More Children Are in School, but Still Not Enough

By Burton Bollag
Special Correspondent

Washington – In 2000, most of the world's nations met in Dakar, Senegal, and renewed a pledge to ensure that all children will be in school by 2015. But the latest annual monitoring report finds that while there has been progress, the world is not on track to meet the goal.

The good news is that the number of children out of school has dropped: from 105 million in 1999 to 72 million in 2007. The bad news is that, if present trends continue, the report says, 56 million children still will not be getting an education in 2015. Most will be in the poorest countries of Africa and South and Southwest Asia.

These children without teachers and books will be the hardest to reach, the report says. "The closer you get to the target, the more difficult it becomes," said Kevin Watkins, the report's chief author. "It's harder to reach kids who are in acute poverty or the most remote regions of a country," or members of neglected minority groups, he told a gathering of educators and journalists in Washington.

That issue is the focus of this year's monitoring report, entitled "Reaching the marginalized." Ensuring all the world's children get at least a primary school education is one of the United Nations' Millennium Development Goals, first adopted by the world community in 1990 under the label "Education for All." UNESCO, the United Nations Educational, Scientific and Cultural Organization, is leading efforts to reach the education goal. (The other goals include ending hunger, improving child and maternal health and ensuring environmental

sustainability.)

Last year's global financial crisis has led to a 10 percent drop in education spending among sub-Saharan countries in Africa and is threatening the progress that has been achieved, according to the report. The document says that many governments are doing too little to reach educationally marginalized children in their countries, and rich countries are not providing enough financial support.

There have been some shining successes. Some of the world's poorest countries, including Benin, Ethiopia, Mozambique, Nepal and Zambia, have made large gains in the numbers of children attending school by building new schools, training more teachers and abolishing school fees.

Ghana ended fees and introduced free daily meals at school. The measures succeeded in increasing public school enrollment from 59 percent of all children in the academic year ending in 2004, to 83 percent in the year ending in 2008, according to U.N. figures.

"I like to come to school to eat, learn and play," said Princess Owusu, a second grader in the greater Accra region, and one of many students who are benefiting from the policy.

But other countries, including some developing countries with stronger economies, are way behind. The report singles out Turkey and the Philippines for neglecting the education of their minority populations: the Kurds in eastern Turkey and the Muslims of southern Philippines.

Desmond Bermingham, a visiting fellow at the Center for Global Development, an independent research organization in Washington, said that of the eight Millennium Development Goals, the greatest progress probably has been made toward universal education, despite the millions of children still out of school. (The least progress has been made on the goal of preventing the high numbers of deaths among women during childbirth, he said.)

Bermingham said progress on the education goal depends on the "political will" of governments. This is evident, he added, when looking at what he called the "remarkable" progress made by some very poor countries.

Children with handicaps and girls have less access to an education than do other children in a number of countries, the report says. The greatest gender disparity is in Afghanistan, where less than two-thirds as many girls as boys go to school.

As countries struggle to meet the Millennium

Development Goal of "Education for All," a growing concern of educators is the quality of education. As more children are enrolled, cash-strapped governments may simply increase class sizes, reducing the quality of what often had not been a very good education to begin with.

Despite substantial international assistance, donor countries are not providing enough to help poor countries, the report says. The report calculates that after expected foreign assistance is taken into account, approximately \$11 billion more will be needed, especially in Africa, to allow all children to attend school. "Donors are not living up to the pledges that were made at Dakar," said Watkins. The report calls for convening an emergency donors' conference this year to fill the funding gap.

The United States makes significant contributions to "Education for All." Most American help goes directly to individual countries as bilateral aid. The report calls for greater multilateral coordination of aid, a goal President Obama also cited when he was campaigning for the presidency.

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