Development Capital: USAID and the Rise of Development Contractors

Susan M. Roberts
Department of Geography, University of Kentucky

Development assistance from the United States Agency for International Development (USAID) is conceptualized as flowing through an assemblage that includes heterogeneous subjects and objects and that has coevolved with USAID’s contracting regime. Key assemblage elements are contractors (firms, nongovernmental organizations, individuals), contracts, and procurements, and key flows include capital, knowledge, and people. The focus of this article is the rise over the past forty years of a lucrative development contracting industry in the United States, through a relational examination of USAID contractors and other key elements in the assemblage. This article traces the contemporary U.S. development assistance contracting assemblage and its geographies. This entails identifying and mapping the assemblage’s component elements, its networks and flows, with the overall aim being to take steps toward building a critical geographical understanding of development capital. Key Words: assemblage, contractors, development, foreign aid, USAID.

La ayuda para el desarrollo de la Agencia Internacional para el Desarrollo de los Estados Unidos (USAID) se conceptualiza como proceso que fluye a través de un ensamblaje constituido entre otras cosas por sujetos y objetos heterogéneos que han evolucionado a la par del régimen contractual de esa entidad. Elementos clave del ensamblaje son los contratistas (firmas, organizaciones no gubernamentales, individuos), los contratos y adquisiciones, en tanto que los flujos clave incluyen capital, conocimiento y gente. Este artículo se concentra en el desarrollo en los Estados Unidos, durante los pasados cuarenta años, de una lucrativa industria de contratación para el desarrollo; se hizo un examen relacional de los contratistas de la USAID y de otros elementos clave del ensamblaje. El artículo reconstruye la estructura de la contratación contemporánea en EE.UU. sobre la ayuda para el desarrollo y sus geografías. Esto implica la identificación y mapeo de los elementos componentes de esa estructura, sus redes y flujos, con el propósito general de emprender pasos en la construcción de un entendimiento crítico del desarrollo del capital. Palabras clave: ensamblaje, contratistas, desarrollo, ayuda extranjera, USAID.

The basic geography of foreign aid, and specifically of foreign assistance for development, tends to be described in terms of flows between countries. So, for example, “Country A gives x percent of its gross domestic product to foreign assistance for development,” or, “The top recipients of foreign assistance for development are countries x, y, and z.” The actors in the story are national states, the aid is usually described in amounts of dollars (or other currency), and the transactions described are simple one-way transfers. This article goes beyond such simplifications to ask questions about how development assistance actually works and to identify important aspects of its geographies in a more nuanced and critical way. Instead of seeing foreign aid (or its subset, development assistance) as a story featuring nation states as the actors and one-way coherent flows of money as the things to be understood (our objects of analysis), foreign aid for development could be conceptualized in terms of a set of complex networks, networked elements, or assemblages, constituted by flows.

The generalized simple geography of aid flows between countries is well known and there are an increasing number of in-depth critical studies of...
particular aid projects and organizations—such as those on nongovernmental organizations (NGOs) and their development work on the ground. In contrast, this article explores what happens in the middle: in between the setting of national priorities for development assistance on the one hand and the building of so many miles of road in a particular place, or the execution of a technical assistance program in a village, for example, on the other. The focus is on the contracting relationships that make up U.S. development assistance and connect the near (e.g., Washington, DC) and the far (e.g., Afghan villages).

**Conceptual Framework**

What concepts can be employed in a critical geographical and political economy-inspired study of development assistance? Flows and networks are helpful but only if they are not thought of as simple flows and stable, easily discerned networks. In this analysis, development assistance is theorized as working through complex and unstable networks; as constantly shifting and blurring relationships comprising a heterogeneous assemblage.

Key networked assemblage elements in contemporary foreign assistance for development include various and multiple elements of state bureaucracies; contractors (for-profit and nonprofit firms, NGOs, faith-based organizations, consultants); professional organizations, including trade associations and lobbying organizations; social and professional organizations and clubs; trade magazines and journals; specialty Web sites, forums, and blogs; meetings; and training and credentialing organizations (including universities). The assemblage is also populated by a multitude of reports and studies, as well as contracts and other legal agreements, and a range of material items (e.g., SUVs, cell phones, and receipts).

Key flows in the assemblage include money, codified and tacit knowledge and expertise, influence, practices, material objects, and people. All of these elements travel through and simultaneously constitute webs of relations: networks that in turn depend on different kinds of work. Assemblage networks are sustained by, and sustain, other diverse material and ideational bundles such as national and international contract law, accounting practices, and ideas and values relating to development and to business. The development assistance networked assemblage also enrolls and helps bring into being diverse subjects—some very powerful and capacitated by their relations in the network and vis-à-vis the flows and others appearing as mute legitimating figures (e.g., the poor child, the struggling farmer, the indigenous woman in need of microcredit, etc.).

With intellectual debts to Latour and others in the so-called actor network theory (ANT) tradition, this article sees the concept of network as usefully extended by the idea of the assemblage, found in ANT and drawing from Deleuze’s philosophy. Assemblages are gatherings of material and discursive elements. “In assemblages you find states of things, bodies, various combinations of bodies, hodgepodes; but you also find utterances, modes of expression, and regimes of signs” (Deleuze 2007, 177). Assemblage’s focus on relationships rather than structures suits a project such as this, the aims of which are to trace the contingent relationships and flows constituting what Norris (2012) called the “development industrial complex.” Although they might appear to be enduring, it is important to note that assemblages are always merely “provisional achievements,” highly contingent sociospatial arrangements (Latour 2005, 208). They are not completely stable wholes or seamless totalities (DeLanda 2006).

Accordingly, in this article, the United States Agency for International Development’s (USAID) development assistance is conceptualized as working through a sprawling, inchoate assemblage that enrolls scattered and heterogeneous subjects and objects in asymmetrical relation with one another. The concept of the assemblage directs attention to the relationships between elements and the work that is done to sustain those relationships and networks. Some political economists are suspicious of this concept, fearing it can flatten out social relations such that “relations of force” (Hart 2010) or any qualitative “difference” between assembled elements—crucial analytical components of any political economy—are left unacknowledged. This article, however, joins other efforts wherein assemblage thinking and a materialist analysis based in political economy align (e.g., Castree 2002; Mitchell 2002; Legg 2011; McFarlane 2011; Dittmer 2014). Certainly, following the money—a kind of dye-tracing technique to make the pathways of funding and hence the sociomaterial relationships that make up the development assistance assemblage visible—leads to questions about how the development industrial complex is part of sociomaterial processes that differentiate subjects and generate inequalities.

In tune with the conceptual framework employed, this research accents a decidedly empirical investigation of the contractor assemblage around USAID. Such a
strategy could be seen as moving toward a type of “thick description,” but “the modality of thick description being advocated via the concept of assemblage is one that aims explicitly to explain and critique and confront . . . inequality” (Rankin 2011, 564–5; see also McFarlane 2011). Thus, the research aligns with Hart’s (2010) observation that “the imperative is for analyses [of development] that can illuminate the shifting relations of force in the present conjuncture” (118–9). Given that any assemblage is understood as emerging from relational networks of things and utterances, the present conjuncture requires a historical approach to identify and trace significant assemblages’ particular “composition and emergence” (Dittmer 2014, 12).

Conceptualizing the development–industrial complex centered on USAID as an assemblage permits a fresh analysis of how development assistance works, with emphasis on shifting asymmetrical sociomaterial relations (among people and things), territorializing tendencies toward consolidation that appears to be in the interests of some elements and not others, and particular extensive and intensive spatializations that simultaneously rest on and sustain differentiated subjects. Tracing the USAID contracting assemblage gives a foundation from which to consider questions about the identity, workings, and implications of contemporary development capital.

Researching the Development–Industrial Complex

Undertaking empirical research on the assemblage of USAID contracting is not easy. Given the constituent centrality of the flows of money through the assemblage, following the money, or “tracing the socio-spatiality of its pathways” (Christophers 2011, 1072), is a key strategy. In general, and as Christophers (2011) demonstrated, following the money, in part because of money’s mutability and fungibility, is a particularly challenging variation on “following the thing” (Cook 2004, 642). Other researchers have registered their frustration that “data on aid agency spending are inexcusably poor” (Easterley and Pfutze 2008, 30) and that USAID contract details are not made public (Stanger 2009). Even government auditors have complained that it is extremely hard to follow the money. For example, the Special Inspector General for Afghanistan Reconstruction (SIGAR) testified that he had to start from scratch in identifying the “universe of reconstruction contracts” through which over US$17.7 billion had flowed from the Department of Defense, State Department, and USAID to contractors from 2007 through 2009 for work in Afghanistan alone (Fields 2010). SIGAR, whose investigators include experts in financial forensics, described the complexity of the contractor assemblage in Afghanistan thus:

The plethora of contracts, the billions of dollars involved, the tens of thousands of contractor employees, and differences—including in languages and record-keeping systems—all combine with shortages of competent and conscientious contracting officers and supervising/technical representatives. . . . (SIGAR 2013a, 15)

Investigative journalists attempting to examine contracting have encountered fragmentary and inconsistent records and have had to file numerous requests under the Freedom of Information Act and engage in lawsuits to force federal agencies (including USAID) to make records available (see Center for Public Integrity 2003). In some cases, USAID officials and contractor personnel have closed ranks to frustrate attempts by journalists to obtain even the most basic information (e.g., Trenton and Mendoza 2012). Researchers investigating USAID contracts and grants for Haiti noted that although it is possible to find out which firms and organizations are primary contractors, it is next to impossible to get data to answer questions such as these: “On what are these NGOs and contractors spending the money? What percentage goes to overhead, to staff, vehicles, housing, etc.? What percent has actually been spent on the ground in Haiti?” They note that, “[a]t the moment, very little of this information is made available to the public, creating the impression that U.S. foreign assistance goes into a ‘black box’” (Johnston and Main 2013, 6–7).

The very poor quality of data available on USAID contracting makes it necessary to be as creative as possible in unearthing relevant data to trace the relations constituting the contractor assemblage. Accordingly, the original research on which this article is based draws on somewhat unorthodox and admittedly patchy mix of sources: government (particularly USAID) databases, documents, audits, and reports; the transcripts of hearings before congressional committees and commissions; industry publications; corporate data in annual reports, corporate Web sites, and Securities and Exchange Commission databases; nonprofit data contained in nonprofits’ own materials, in sectoral analysis, and in tax filings; and business analytics accessed where feasible (in other words, when proprietary databases were possible to access without cost). The
Roberts data are used to identify and describe the contractor assemblage.

I also use these data to develop profiles of major contracting companies, highlighting key aspects of their histories, networked relationships, and financial health. These techniques give a preliminary picture of the sociomaterial relations that ground USAID contracting. Supplementary analysis, in the form of selected professional biographies of individuals, shows the kinds of subjects the assemblage has enabled and who inhabit, labor, and travel through its middle and upper reaches. In addition, a preliminary mapping of the spaces of the assemblage raises questions about how the assemblage is territorialized.

Because there are no comparable existing studies, this article is of necessity an experimental first step in a research project designed to more fully trace the sociospatial pathways of money through the contractor assemblage; one aimed at enabling a sharply honed political economy analysis of the assemblage.

Research on Development Contracting

Despite the fact that whole industries have grown up to carry out the work of the federal government in a range of domains, scholars have paid scant attention to contracting, especially in sectors other than defense. Stanger’s (2009) work is an exception, with its synoptic approach to analyzing the expansion of U.S. government outsourcing. Berríos’s (2000) systematic treatment of the growth of contracting in the development assistance sector has not, unfortunately, generated much related literature. Occasionally, researchers investigating particular development schemes note the role of contractors (e.g., Ramírez 2010). Fluri (2009, 2011a, 2011b) studied the geopolitical significance of contractor personnel engaged in development work in Afghanistan and Gallaher (2012) investigated the geo-economics of contemporary private military contracting. In critical development studies, contractors are sometimes mentioned but do not appear as direct objects of scrutiny (e.g., Roy 2010). It is strange that economic geographers have not studied contracting, although institutional economists have paid some attention to government agency–contractor relations (e.g., Martens 2005).

Meanwhile, and more generally, the logics and failures of foreign aid have come under scrutiny by an array of critics, including Moyo (2009) and Easterly (e.g., 2006), who question the conduct and rationale of foreign aid (see Gulrajani 2011 for a critical review). Such attacks, however, tend to focus on aid’s ineffectiveness and its role in fostering corruption, rather than on the political economy of how aid actually works.

This study takes its cues from critical geographical research on the intersections of geo-economics, geopolitics, and development, a broad field that has a growing number of contributors (e.g., Roberts, Secor, and Sparke 2003; Glassman 2005; Sparke 2007; Cowen and Smith 2009; Fluri 2009, 2011a, 2011b; Hart 2010; Tan-Mullins, Mohan, and Power 2010). It contributes to emerging critical geographical scholarship on the political economy of development as it is practiced and complements recent critical analyses of the changes underway in contemporary development policymaking and in the practices of foreign aid (e.g., Murray and Overton 2011; Mawdsley 2012; Essex 2013). A closer examination of the role of contracting firms in the networks and flows of foreign assistance provides a fresh set of observations forming the basis for a critical geographical analysis of the complexities of the political economy of aid. This, in turn, permits us to consider anew perennial questions about who, and which spaces, benefit from foreign aid in the name of development.

USAID: Doing Development through Contracts

On 8 October 2010, Linda Norgrove, a young Scottish aid worker with a PhD in development policy and management from the University of Manchester, was killed during an attempt to rescue her from her captors in Afghanistan. She was working for a company called Development Alternatives Inc. (DAI), a “global development company” and a leading U.S. for-profit development contractor based in Bethesda, Maryland (DAI 2013). She was working on a project for which DAI had won a contract from USAID. She was one of thousands of people who have entered the world of development in practice and who are making a living working for development organizations and firms implementing grants and contracts for a range of agencies. Firms, organizations, and individuals can be contractors, subcontractors, or both. USAID does development largely by disbursing grants and awarding contracts of various kinds. In many cases (although not all), it issues calls for proposals, and organizations bid to win contracts to undertake the specified work.
Norgrove, who was based at DAI's Jalalabad offices, had a leading role in DAI's USAID multiyear project called Incentives Driving Economic Alternatives for the North, East, and West (IDEA-NEW). She managed programs (employing more than 200 Afghan staff) aimed at weaning rural economies off poppy cultivation (DAI 2010b; National Public Radio 2010; Pincus 2010). DAI was the lead contractor, but aspects of the IDEA-NEW project were handled by two other organizations (USAID 2011b). One is ACDI/VOCA, a nonprofit based in the Washington, D.C., area and reporting about US$124 million in annual revenue (ACDI/VOCA 2013). The second partner is Mercy Corps, a Portland, Oregon–based nonprofit with annual revenues of more than US$218 million (Mercy Corps 2013). There was a rough geographical division of labor among the three contractors (DAI 2010b). They each in turn subcontracted many aspects of their work.

The IDEA-NEW project exemplifies at least three significant attributes of the current USAID development assistance assemblage. First, it is development within an overall doctrine of counterinsurgency, a USAID development program in service to the needs of U.S. military (and foreign) policy (USAID 2011a; see also Bachmann 2010; Roberts 2012). The blurring of development and war and security means that many development workers are in dangerous environments and routinely experience threats to their personal safety. One side effect of this has been the increasing proportion of development budgets devoted to security. Second, IDEA-NEW is an archetypal neoliberal development project. It stresses the creation of markets (in some cases quite literally by constructing improved marketplace facilities) and the creation of entrepreneurial subjects (see Walker et al. 2008). Third, it is a project that is entirely outsourced by USAID and run by contractors, with DAI being the lead contractor (SIGAR 2013b). Although these attributes are related to each other, and the first two are of considerable interest because they are formative contexts for the assemblage, it is the third one—the rise of contracting as the most significant relationship constituting and animating the U.S. development assistance assemblage itself—that is the focus of this article.

How Did USAID Become a Check Writer to Contractors?

At the center of the assemblage is USAID, from whence the flows of money that animate it come. USAID was established in 1961 with the passage of the landmark Foreign Assistance Act during the Kennedy Administration. In the beginning, contracts accounted for a very small proportion of the agency’s budget (Berrios 2000). Berrios showed how a trend toward contracting already underway accelerated under Vice President Al Gore’s initiative to “reinvent government” beginning in 1993. USAID was designated a “reinvention laboratory” and was pushed to privatize its operations in the name of greater efficiency (Berrios 2000, 1). Meanwhile, USAID itself shrank dramatically: “In 1980, USAID had 4,058 permanent American employees. By 2001, the number had dropped to 2,200, a 45 percent cut” and “[b]y 2001, USAID had just 6 engineers and 16 agricultural experts, while it had hundreds in the 1980s” (Natsios 2010, 25).

In the 2000s, the federal government’s contracting activities underwent even further expansion, led by the Department of Defense. Although U.S. military operations have long used contractors, recent operations in Afghanistan and Iraq entailed contracting on an unprecedented scale. Outsourcing by the U.S. military has become widespread and routine (Gallaher 2012). The sheer value of Defense Department contracts and their vast number might overshadow the contracting activities of the State Department or USAID, but the turn to outsourcing on the part of the Department of State and USAID was even more pronounced. Stanger pointed out:

In 2000, the Department of Defense spent $133.2 billion on contracts and by 2008, that figure had grown to $391.9 billion, an almost three-fold increase. From 2000–2008, State Department spending on contracting increased by 431 percent. In that same period of time, contracting at USAID grew a whopping 690 percent. (Horton 2011)

The George W. Bush Administrations (2001–2009) were, paradoxically, a time of U.S. investment in global development and a time of further marginalization of USAID. President Bush led a number of major development efforts, but chose not to route them through USAID. The President’s Emergency Fund for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation were established outside USAID and effectively further sidelined the agency (Mawdsley 2007; Roberts 2012). USAID was defined as a minor player in foreign policy, being framed as a subsidiary partner in the “Three Ds” approach (defense, diplomacy, and development) to U.S. foreign policy (Hart 2010). USAID was seen as a “soft power” asset and was more firmly placed inside the State Department, itself increasingly operating in the
shadow of the Department of Defense. Even as the U.S. military took on development work, particularly in Iraq and Afghanistan, USAID found itself working as part of military strategy—notably counterinsurgency (COIN; Bachmann 2010; Hodge 2011; Roberts 2012). Army commanders were urged to recognize that “[m]oney and contracting in a COIN environment are vital elements of combat power” (Center for Army Lessons Learned 2009, 1; see also Javers 2011). The IDEA-NEW project that Norgrove was working on, although nominally a “development” project, had a rationale that was entirely defined by COIN and not by poverty, basic human needs, or anything from the development lexicon.

The blurring of military and development efforts occurred simultaneously with a shift in the boundaries between state and contractor as USAID shrank and the ranks of contractors expanded, reconfiguring the way development assistance was done and consolidating the contractor assemblage. By 2009, observers were calling attention to USAID’s enfeebled condition, identifying a “long-running pattern of outsourcing the substantive side of USAID’s work to contractors and reducing the technical capacities of the agency itself, resulting in a hollowed-out organization more preoccupied with administration and management than the substance of development work” (Carothers 2009, 20–1). Carol Lancaster, who had been USAID Administrator from 1993 through 1996, complained, “USAID has left the retail game and become a wholesaler. In fact, it’s become a wholesaler to wholesalers” (Dilanian 2009d). When Hillary Rodham Clinton spoke at her confirmation hearings before being sworn in as Secretary of State in 2009, she said bluntly, “I think it’s fair to say that USAID, our premier aid agency, has been decimated. It has half the staff it used to have. It’s turned into more of a contracting agency than an operational agency with the ability to deliver.” She added that “[e]ven when there are not headline-grabbing abuses, there has been a steady transfer of authority and resources from government employees and a chain of accountability to contractors” (Clinton 2009). This marked a definitive shift in the location of knowledge and power within the assemblage. Two months later, she stated that “USAID has been turned into a kind of distribution channel where the expertise that had taken years to build up has now migrated outside of the government” (Dilanian 2009a). Things had come to such a point that when Rajiv Shah became Administrator of USAID, he felt that he had to explain: “Every enterprise relies on contractors and depends on them to succeed. USAID is no different. But I want to make it clear. We do not work for our contract partners. Our contract partners work for us” (Rogin 2011, italics added).

Before recounting what has been happening to USAID since 2009 under President Obama, I trace the extraordinarily rapid rise of an industry of development contractors. I build the argument that a powerful contracting assemblage (centered on the contractors themselves, but including other elements as well) has developed and that this has significant implications for how we understand the political economy of development assistance, and raises questions about the changing nature of contemporary capitalist development.

The Rise of an Industry: Development Contracting

Over only the past thirty years, development contracting has become an established U.S. industry. Few of the organizations that comprise this industry preexisted the rise of USAID contracting. Indeed, the most powerful players grew up with it. The industry of contracting firms and the development contracting “market” coevolved and coconstitute one another and lie at the center of a development industrial complex assemblage that has expanded dramatically. In 2003, USAID issued less than $3 billion worth of contracts and grants, but now this industry handles more than US$12 billion a year from USAID, as shown in Figure 1. The vast majority of funds go through contracts rather than grants; and contracts are overwhelmingly for services rather than products (Hermann, Morrow, and Sanders 2012).

![USAID Contracts and Grants 2003-2013 (US$ Billions)](color figure available online.)
The money committed via contracts and grants is tax revenue that flows through USAID’s budget. To initiate a contract, USAID typically issues a request for proposals (RFP) or a request for quotations (RFQ) stating the Agency’s requirements and how USAID will evaluate and select the successful offeror or bidder (posted on www.fbo.gov). In addition to contracts, USAID uses grants and cooperative agreements (posted on www.grants.gov; see USAID 2013b for more details). Whereas both for-profit firms and nonprofits bid for contracts, only nonprofits usually compete for grants. When USAID was suffering personnel cuts, it relied increasingly on issuing large “blanket” contracts that placed much (if not quite all) the administrative responsibilities on the contractor. This type of contract is the indefinite quantity contract (IQC); typically these are multiyear, multi-million-dollar agreements. Chemonics holds the largest number of USAID IQCs (Villarino 2011c). IQCs are complex and it is reported each takes over one and a half years to be issued, and so they tend to go to larger contractors because smaller firms would find it difficult to survive a delay that long (Berrrós 2006; Brookland 2012).

The majority of USAID contracts go to U.S. firms, a fact that USAID has used in Congress to justify its budget request. The 1961 Foreign Assistance Act that created USAID contained elements of the 1933 Buy American Act. The privileged position of U.S. firms does not extend to subcontracts and is under some threat (as discussed later), but it is still the case that “the American firms at the top of the contracting food chain are likely to profit most” (Stanger 2009, 122).

The Big Players

Berrrós identified USAID’s twenty-five top contractors for the years 1991 through 1996. Table 1 includes his ranking plus information compiled from a range of other sources. Each gives a slightly different view of the major entities comprising this sector in the United States. Taken together, however, they offer a picture of the top USAID contractors.

How did these firms become major development contractors and what are some of their basic characteristics? Table 2 provides concise profiles of four of the corporations that appear most frequently at the top of the rankings of USAID contractors.

These brief company profiles reveal five significant attributes of the U.S. development aid industry. First, the industry depends heavily on federal funds. Each of these firms describes USAID as its biggest client. Indeed, both Chemonics and DAI were started with USAID contracts and have continued to profit very directly from USAID contracts. Second, USAID contracting is dominated by for-profit companies, some of which have grown to be large corporations. As Norris (2012) put it:

The 10 largest USAID contractors received more than $3.19 billion in 2011, and more than 27 percent of the agency’s overall funding was directed to American for-profit firms last year. To put this in perspective, if the for-profit contractor Chemonics were a country, it would have been the third-largest recipient of USAID funding in the world in 2011, behind only Afghanistan and Haiti.

Third, the recent emphasis of U.S. administrations (in sync with the priorities of major U.S.-based foundations—most obviously the Gates Foundation) on global health issues has directed vast flows of federal funds into contracts in the health domain (see also Sparke 2014). By dint of their experience with projects in health, firms such as John Snow, Inc. (JSI), and Abt Associates were well prepared to ride the wave of U.S. funding dedicated to global health issues and have flourished by capturing significant shares of health-related development funding.

Fourth, many of the top USAID contracting firms have origins in the Cold War. The firms’ official histories offer stories of bright, well-educated, optimistic young American men, committed to doing good in the world, who, acting entrepreneurially, set up their own firms in the late 1960s and early 1970s to contribute effectively to these ideals. Poised to deliver on the promises of science and social science to execute development efficiently, the firms embodied a distinctive Cold War U.S. liberal internationalism and an optimism about development that reflected the times and places of their origins (Wolfe 2013).

Fifth, these firms have evolved to become huge, diversified corporations developing strategically specialized interrelated business entities. The complexity of the corporate architecture of these firms is significant because it allows the firms to match specific funding opportunities with particular types of organizations or “vehicles” to maximize profitability. Thus, several of the top USAID contracting firms have spun off or acquired affiliates. In some cases these link profit and nonprofit entities. For example, JSI is closely connected to JSI R&T Institute, which is sometimes described as its nonprofit arm. JSI is also linked to World Education,
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<td>1</td>
<td>Academy for Educational Development</td>
<td>Chemonics $554 million</td>
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<td>Chemonics $272 million</td>
<td>John Snow $483 million</td>
<td>FHI $292 million</td>
<td>John Snow $465 million</td>
<td>PSCM $418 million</td>
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<td>KPMG Peat Marwick $215 million</td>
<td>DAI $325 million</td>
<td>MSH $270 million</td>
<td>PSCM $432 million</td>
<td>John Snow $387 million</td>
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<td>4</td>
<td>DAI $135 million</td>
<td>Louis Berger Group $188 million</td>
<td>Abt Associates $319 million</td>
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<td>DAI $251 million</td>
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<td>Abt Associates $129 million</td>
<td>Creative Associates $210 million</td>
<td>International Relief and Development $181 million</td>
<td>TetraTech $250 million</td>
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<td>Black Veatch Spec Prj Corp. $186 million</td>
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<sup>a</sup>International Development contractors in 2012 Top 100 Contractor listing (Washington Technology 2013).
<sup>b</sup>Data from searchable spreadsheet (USAID 2013d).
<sup>c</sup>Data from searchable spreadsheet (USAID 2013d), excluding World Bank and UN World Food Program.
<sup>d</sup>USAID vendors combined into related legal entities in Vota (2013). See also https://docs.google.com/file/d/0B9uoWk64NuLfZVBicGNIW1BwNiU/edit and https://plus.google.com/107034050223228643080/posts/lBhYw9QD9ju
<sup>e</sup>Based on funding obligated from 1 October 2010, to 31 March 2011. Amounts for organizations that appear multiple times in USAID’s data file are combined.
Table 2. USAID's top for-profit contractors: Short profiles

Chemonics International, Inc.

- Headquartered in Washington, D.C.
- Founded in 1975 by a former Foreign Service officer and USAID official. An offshoot of the Green Revolution originally focused on agro-chemicals in Afghanistan.
- From the beginning its major client was USAID. USAID contracts are worth over US$600 million.
- Very involved in USAID work in Iraq and Afghanistan (Williams 2008).
- In 2006 wealthy investor and art collector Eijk van Otterloo became majority shareholder and Chairman of the Board of Directors. His wife is on the Board (Williams 2008). Van Otterloo is still Board Chairman, although in 2011, he and other major shareholders cashed out, and the firm became employee owned.
- Came in for criticism for its USAID contracted work in Afghanistan and in Haiti (Center for Economic and Policy Research 2012; Rohde 2012).

Development Associates International, Inc. (DAI)

- Headquartered in Bethesda, Maryland.
- Established in 1970 by three graduates from Harvard's Kennedy School, to do agricultural consulting work for USAID.
- Revenue in 2009 was US$409 million, with its largest client being USAID.
- Employee-owned, structured through an employee stock ownership plan (ESOP).
- About 2,000 employees.
- In partnership with Nathan Associates, Inc. (an employee-owned for-profit economics consulting firm), formed the Nathan Group, which has won indefinite quantity contracts from USAID (Nathan Associates 2013).
- DAI's performance in the IDEA-NEW program has been strongly criticized by the Special Inspector General for Afghanistan Reconstruction (2013a, 2013b).

John Snow, Inc. (JSI)

- Headquartered in Boston.
- Established in 1978 by Joel Lamstein (with interests in public health management) and Norbert Hirschhorn (a physician).
- Both men previously worked at Management Sciences for Health (MSH), a nonprofit Lamstein cofounded in 1971.
- In 1979, the related nonprofit JSI Research and Training Institute established.
- JSI's nonprofit arm is one of two partners forming the entity known as the Partnership for Supply Chain Management (PSCM; see Table 3).
- Around 2,100 employees (JSI 2013).
- Global revenue of more than US$200 million.
- Well-positioned to play major roles in the U.S. international health initiatives of the 1990s including the President's Emergency Fund for AIDS Relief and the Global Fund.

Abt Associates

- Founded in Cambridge, Massachusetts, in 1965 by defense industry scientist Clark Abt to “us[e] interdisciplinary social science research to solve social, economic, and technological problems” (Abt Associates 2013).
- During the Cold War, Abt worked closely with the Department of State (and the CIA) on political analysis (Herman 1998; Wolfe 2013).
- Started winning USAID contracts in the 1980s.
- More than 2,000 full-time employees and gross revenues of US$470 million.
- Now has an emphasis on health issues and, like JSI, has benefited directly from increased U.S. and international funding for health initiatives.

Inc. (another nonprofit), and to a marketing company, the Manoff Group. Further, JSI R&T Institute is a 50 percent partner in the PSCM. The exact nature of the financial relationships among these entities is difficult to discern, although the tax filings of the nonprofit entities reveal financial flows between them. The affiliated firms are also connected by patterns of interlocking leadership. So, for example, JSI CEO Joel Lamstein was paid US$450,000 in 2011 as CEO of JSI R&T Institute (the nonprofit) and a further US$10,000 from World Education, Inc. He received zero from PSCM, and it is not known whether he received salary from JSI in 2011.

To wrap up this section on the top USAID development contractors, I turn to the case of Academy for
Education Development (AED), the only firm appearing on Berríos’s list but not on the more recent lists of major contractors (Table 1). The AED case points to several key issues regarding the political economy of contracting and in this article serves to introduce a discussion of recent attempts to crack down on fraud, waste, and abuse in USAID contracting.

AED was set up in 1961 by two former Ford Foundation executives as a Washington, D.C.–based nonprofit. By 2011, it had annual revenues of about US$440 million, over US$150 million of which came from USAID (AED 2011). It focused on health and education issues and described itself as implementing “more than 300 human and social development programs serving people in all 50 U.S. states and more than 150 countries” (AED 2011). In 2009 AED was in the news when it was revealed that its CEO’s annual compensation was over US$875,000 (Dilanian 2009b). AED reappeared in the headlines when a USAID Inspector General’s investigation of its US$150 million USAID contract in the tribal areas of Pakistan turned up evidence of corruption. In late 2010, that contract was withdrawn and AED was suspended from obtaining any further U.S. government contracts. At this time, AED was reported as having “65 contracts and grant agreements with USAID worth $640 million” (Dilanian 2010; see also USAID 2010; Beam 2011). Because AED, like the firms described earlier, was completely dependent on USAID contracts, the suspension was a death knell for the company as an independent entity. Recognizing that AED had some value, however, Family Health International (FHI) acquired AED in 2011.

The AED case raises at least two significant issues. One is the role and character of nonprofit development contractors. The second concerns the politics of investigating and censuring contractors. The category of nonprofit is broad and can apply to diverse entities, including NGOs, research institutes, charities, and both secular and faith-based organizations. What they have in common is their classification as 501(c)(3) tax-exempt organizations under the U.S. tax code. Nonprofits can bid on USAID contracts, and they are also eligible for grants and cooperative agreements (Villarino 2011a). Table 3 shows that nonprofits can be large and financially successful. They can also be organizationally complex and embedded in dense networks of relations with other nonprofit and for-profit contractors.

In many ways the leading nonprofit development contractors behave much like for-profit contractors. Nonetheless, USAID’s for-profit contractors see themselves as different from their nonprofit competitors and they are protective of the funding structures (grants and cooperative agreements) available to them but unavailable to the for-profits. Recent developments in the political economy of the industry in response to the changing U.S. federal government environment and to changes in the global aidscape, in which the distinctive positions of the for-profit and nonprofit contractors can be identified, are discussed later. To set the scene, I first turn to trends in the wider global context that are affecting the U.S. development contractor assemblage and then to recent and ongoing changes in the way USAID operates, events that present challenges and opportunities to contractors.

**Big Changes in Aidscape and in USAID’s Practices**

Several current trends, globally and nationally, are affecting the development assistance assemblage based in Washington, D.C. First, policy shifts at the international level are steering changes in the way official development aid is organized. The Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) is the major international forum for high-level discussions among established “western” aid donors (for a thorough treatment of the DAC and its politics, see Mawdsley 2012). The DAC has issued several high-level policy agreements that emphasize the need to treat recipient countries as partners and to route major decision making about priorities, spending, and implementation through local (recipient country) agencies and institutions. The discourse has shifted to stress “country ownership” in the name of greater “aid effectiveness” (Mawdsley 2012). The changing emphases of the OECD DAC, along with a trend toward untying aid on the parts of other major donor countries, have directly influenced USAID.

Policy documents issued by the first Obama Administration indicate a plan to rebuild USAID and align it with the globally defined priorities. The Presidential Policy Directive on Global Development (November 2010) built on the National Security Strategy (May 2010) and emphasized the importance of development as part of an “integrated, comprehensive approach to national security” (Obama 2010; White House 2010). The Quadrennial Diplomacy and Development Review (QDDR), modeled on defense reviews, included a commitment to “rebuilding USAID” (U.S. Department of
Table 3. USAID’s top nonprofit contractors: Short profiles

Family Health International (FHI360)

- FHI was begun in 1971 as a University of North Carolina spin-off research group funded by a grant from USAID.
- The combined FHI and AED firm was rebranded as FHI360.
- Based in Research Triangle Park, North Carolina.
- It is one of the largest U.S. nonprofits, with US$475 million in revenue in 2011, almost three quarters from USAID (FHI360 2011).
- FHI360 is now USAID’s largest nonprofit contractor (Mukherjee 2011).
- Dr. Albert Siemens, CEO, was paid more than US$450,000 in 2011 (Guidestar.org 2013).

Partnership for Supply Chain Management (PSCM)

- A legal entity established by JSI Research & Training Institute and Management Sciences for Health.
- The presidents and senior staff members of JSI and MSH serve as PSCM’s Executive Committee.
- PSCM itself has no staff; staff of JSI, MSH, and other organizations implement PSCM’s projects through formal subcontract arrangements.
- More than 400 staff from subcontractor organizations work on PSCM projects.
- Current subcontractors and partners include Booz Allen Hamilton, Crown Agents, i+solutions, Imperial Health Sciences, The Manoff Group, MAP International, North-West University, Northrop Grumman, UPS Supply Chain Solutions, Voxiva, and 3i Infotech (PSCM 2013).

International Relief and Development (IRD)

- Set up in 1998 by Rev. Dr. Arthur B. Keys.
- Very involved in USAID’s efforts in Iraq.
- Awarded an unprecedented US$648 million as a cooperative agreement for the 2006–2009 Community Stabilization Program, a major component of USAID’s contribution to counterinsurgency (IRD 2010).
- USAID suspended payments to IRD in July 2009 after two investigations (Dilanian 2009c).
- In 2011 their community stabilization work and road building efforts for USAID, again part of a wider counterinsurgency strategy—this time in southern Afghanistan—were also found to be highly problematic (Chandrasekaran 2011; Nissenbaum 2012).
- IRD continues to be dogged by allegations of fraud and mismanagement (SIGAR 2012, 2013).
- In 2011 the CEO was paid more than US$650,000 and Jenna Basaric-Keys (CEO’s wife and the nonprofit’s Chief of Operations) took home more than US$360,000 (Guidestar.org 2013).
- IRD continues to receive USAID funds (Villarino 2011b).

State 2010, xi), and was accompanied by a major operational reform effort known as “USAID Forward.” USAID Forward has seven priority areas, but of particular interest here is the one targeting procurement reform. USAID’s procurement reform has entailed stepping up its investigations into corruption. “Public procurement is an activity particularly vulnerable to fraud and corruption” (OECD 2009, 76) and the hollowed-out USAID was woefully lacking in the personnel and resources to deal with these issues (Cox 2011). Now, with a new staff of specialists, USAID has tackled high-profile cases including AED, as previously discussed, and the Louis Berger Group, which agreed to pay USAID US$69.3 million for overbilling (Graham 2012). All told, USAID suspended or debarred forty-three entities in Fiscal Year (FY) 2011, whereas between FY 2003 and FY 2005 it had acted in only seventeen cases (Cox 2011), indicating “a major uptick in the quantity of work that USAID is doing in the suspension and debarment arena” (Carroll 2011, n.p.; see also Shaukert 2011; USAID 2012).

In addition, USAID is using implementation and procurement reform to respond to the DAC trends, emphasizing increasing “country ownership” with a goal that, by 2015, 30 percent of obligated funds will go to partner country institutions (governments, NGOs, and private sector). In 2010 the percentage was 9.7 and by 2012 it had increased to 14.3, with a greater proportion going to local organizations and firms, rather than the host country government (USAID 2013c; see also Troilo 2012). Further, the rebuilt USAID can move away from the IQC model that it had relied on and that had effectively consolidated the contractor industry; it can now split up large projects into multiple contracts...
and, as part of the emphasis on country ownership, build local capacity in partner and recipient countries to handle USAID grants and contracts.

The commitment to country ownership is changing the sociospatial pathways along which aid flows. New configurations and relations are being formed to capture these flows as assemblage contractors respond. Most nonprofits initially welcomed the reforms (see Oxfam America 2010, 2013; InterAction 2013), but the for-profit contractors have been mobilizing to defend their market share (Norris 2012; Staats 2013). In June 2011, a group of for-profit development contractors formed the Coalition of International Development Companies (CIDC). The CIDC has argued against any increase in grants (as opposed to contracts), and against country ownership targets, saying:

From the government’s perspective, it makes sense to nurture the highest possible level of competition in its ecosystem of providers, and we believe it is harmful to distort the natural equilibrium of the marketplace by picking winners and losers outside the competitive process—by elevating nonprofits over for-profit concerns, for example, or by erecting quotas for local over U.S. organizations. (CIDC n.d., 7)

Even as the CIDC draws on the powerful fiction of “the marketplace” to reimagine the contracting assemblage and to defend the status quo, CIDC members have been moving rapidly to reposition themselves. In particular they are pitching their services not just to USAID, but also to recipient or host country governments and agencies (Ashurst 2012). This could involve stretching the contractor assemblage as it incorporates elements in diverse locales. This raises the question, however, of the geographies of the contractor assemblage, and so it is to questions of territorialization that I now turn.

The U.S. Development Industrial Complex Territorialized

Of course, U.S. development contractors are deeply invested in securing their continued profitability (and this applies, if not to the letter, in spirit, to the nonprofits too). Because it is dependent on federal funding, the industry keeps a close eye on developments in Washington, D.C., and seeks to represent its interests. So I ask this question: What social–spatial arrangements do key elements in the development industrial complex create and what spaces sustain them?

First Cut

To address these questions, the focus is on assemblage elements clustered in the greater Washington, D.C., area. Development contractors’ headquarters form a classic agglomeration in this region. Even contractors whose head offices are elsewhere have offices in the Washington, D.C., region. This region also includes the nodal points in the assemblage that supplement, maintain, and sustain the relationships that comprise the contractor regime.

The spatial arrangements emerge from, and can sustain, the constituent relational workings of assemblages. Each assemblage is territorialized in particular ways. The “contractor region” (Roberts 2012, 563) of greater Washington, D.C., is home to the major constituent elements of this territorialized assemblage, including a range of institutions that sustain and are sustained by the USAID contractor networks. These include trade associations, lobbying groups, policy think tanks, research groups, professional societies and clubs, and information brokers of various types.

The major contractor trade association is the Professional Services Council (PSC), based in Arlington, Virginia. Originally a trade association for defense contractors, in early 1990s the PSC, urged by a group of development contractor leaders (including the Chairman of DAI), established an International Development Task Force. This task force formalized the activities of a group of development contractors that had been meeting in an Indian restaurant and went by the name the “Bombay Club” (DAI 2010a, 76). The task force recently was absorbed into the CIDC (mentioned earlier). The PSC and the CIDC have been attempting to shift how “country ownership” is conceptualized, arguing against a cash transfer model (to host governments or local organizations) and in favor of a technical assistance approach—an approach that would retain a major role for contractors:

We believe development is what people, societies, and governments do for themselves, and America’s ever-more-scarce foreign aid dollars must be targeted to help them get there. … We question policies that presuppose that local capacity is not built through the projects we help implement. (CIDC n.d.)

The CIDC represents the interests of its members by producing white papers on policy issues and materials demonstrating the positive impacts of the sector. The CIDC’s cochair is the CEO and president of DAI, Inc., the president of Tetra Tech (a large USAID
contractor), and the president of dTS (Development and Training Services, Inc.). The PSC works with lobbyists (including the influential Podesta Group) to advance its members' interests on Capitol Hill (Easterly and Freschi 2012; Center for Responsive Politics [CRP] 2013).

Related organizations in the assemblage include the Washington, D.C.–based U.S. Global Leadership Coalition (USGLC), founded in the 1990s as the U.S. Global Leadership Campaign. The USGLC advocates for increased federal spending on diplomacy and development. Its leadership includes high-level representatives from major multinational corporations (e.g., Caterpillar, Wal-Mart, Google), and international nonprofits (e.g., Save the Children, World Vision, Mercy Corps). Another key node in the assemblage is the Modernizing Foreign Assistance Network (MFAN), headquartered in Washington, D.C. MFAN is a member organization that includes major development think tanks, as well as nonprofits and for-profit contractors. The MFAN seeks to influence policymaking. For example, in a recent open letter to USAID’s Administrator Shah, they urged him to listen to contractors when implementing procurement reform: “As the U.S. Government seeks to shift more assistance over to local entities, longstanding U.S. development partners should be consulted regularly to leverage their expertise in building local capacity abroad” (MFAN 2012).

These organizations are not stand-alone entities; they are related elements variously embedded in the assemblage. They function as nodes facilitating the formation and maintenance of relationships among entities, persons, and material objects through which the money flows in the development contractor assemblage, taking particular territorialized shape in the Washington, D.C., area.

A second type of institution in the assemblage is professional societies and clubs. The Society for International Development Washington, D.C., chapter is significant as a social space of “networking” for development contractors, as is the Economic Club of Washington, D.C. The Society for International Development in Washington serves as a forum for development contractors and others interested in development by organizing meetings, workshops, career fairs, an awards ceremony, and other events. The current leadership of the chapter includes senior vice presidents of Chemonics and DAI, among others drawn from the ranks of contractors, think tanks, and academe. It is a significant node in the D.C. and Beltway-based assemblage that sustains individuals and firms and serves to connect firms and government.

Making connections and channeling influence, organizations such as these are part of the D.C. area’s institutional fabric, advocating for the development industry and supporting the firms and individuals within the industry. Chemonics, on part of its Web site titled “Our Commitment to Our Industry,” says that “[a]s a dedicated member of the international development community, Chemonics supports educational and advocacy groups that share our views on the importance of international development to advance stability, security, and prosperity” and lists its membership in the major organizations discussed here (Chemonics 2013).

Other institutions that operate in part to sustain elements in the assemblage include the National Contract Management Association based in Ashburn, Virginia. It has more than 19,000 members and is one of many organizations that offer training in the complexities of contracting and compliance. Some contractors have their own training centers. For example, in 2010 DAI acquired “the training assets of the Washington, D.C.-based Center for Public Management (CPM), a leading provider of U.S. Government contract compliance and financial management training” (DAI 2010c). Given the push toward country ownership, this move by DAI is strategic, positioning the firm to compete to offer technical assistance to local organizations in host countries as part of “building capacity.”

Third, there are a variety of forums that serve as networks or gateways creating and channeling knowledge and information circulating through the assemblage. General contractor publications such as the Journal of Contract Management and Contract Management, and government publications, blogs, and informational sites are key sites for learning about the details of procurement and contracting. Some of these are hosted by think tanks (e.g., the Center for Global Development) or member organizations such as those described earlier, but others are related to overlapping networks, such as that of devex, a firm whose Web site offers a combination of professional networking and job listings with analysis of the sector; or InsideNGO, a membership organization whose Web site and other activities are geared toward sharing information relevant to international NGO personnel (devex 2013; InsideNGO 2013). In other cases, business analysts (e.g., Govtrive 2013 [slogan: “Be in the know”] or Fedmine US 2013) provide (for a fee) valuable
The biographies also show the interconnected nature of the networks that make up the development contractor assemblage centered on Washington, D.C. This first cut, a basic mapping of assembled institutions and the examples of the ways individuals move through the network of firms and other kinds of organizations, provides a preliminary account of the U.S. development industrial complex centered on Washington, D.C. There are other geographical aspects of the phenomenon, however, and it is to these that I now turn.

Second Cut

Even at the broadest level, without being able to follow the money exactly, we know that there is a regional geography of USAID and its contracting assemblage. This is a geography that is not captured by images of unidirectional flows of aid going from the United States to poor countries around the world. President Obama is not alone, of course, in acknowledging that much development assistance never reaches its supposed beneficiaries: “One of the concerns that I have with our aid policy generally is that western consultants and administrative costs end up gobbling huge percentages of our aid overall” (Obama 2009).
Currently over half of the economic assistance disbursed by USAID goes to U.S.-based entities (classified as enterprises, NGOs, church and faith-based groups, universities, and research institutes; see USAID 2013a). Although some of these funds get spent in the country for which they are budgeted, it is clear that much funding ends up spent on services in the United States or purchased or subcontracted from U.S.-based entities and on salaries and overheads in the United States. Although only a crude measure, the top five states to which USAID contract dollars flow are shown in Figure 2. In their examination of USAID contracts and grants for Haiti, Johnston and Main (2013) found that over 56 percent of prime contracts went to the “Beltway” region. Through its circulation in the development contractor assemblage, public money quickly reappears as private money and as salaries and profit (North Atlantic Treaty Organization 2008; Waldman 2008).

The development assistance assemblage, like development more generally, feeds and is nourished by spatializations that invoke far-flung spaces of need and intervention. Following the money in the form of contracts, however, shows that the material circulations are much closer to “home.” Aid funds funneled into contracts often circulate in a whirlpool, with swirls and eddies centering on particular regions within the United States, with only minor flows to spaces outside the United States. Within the United States, development contractors spend much of their contract funds on themselves. Given contractors’ need for proximity to the source of funding, and the agglomeration in the greater Washington, D.C., area, many development dollars end up circulating in the richest counties in the United States, an especially ironic twist on the commitment of USAID to the development of “local capacity.” Indeed, the D.C. Beltway contractor region is home to ten of the top sixteen and six of the top ten counties (by median household income) in the United States (Table 5 and Figure 3). Northern Virginia alone accounted for about one fifth of the country’s fifty highest income counties (U.S. Census 2013).

The text released with the most recent Forbes Richest Counties ranking gets to the heart of the matter in its opening sentence: “The economy may still be struggling to break out in much of the country, but not in Washington, where local federal spending has doubled over the past decade, boosting federal agency employment and contract spending” (Van Riper 2013, italics added). Contract spending has not benefited everyone in the Washington, D.C., area, of course, but it has fueled spectacular income growth on the part of the region’s super-rich: “During the past decade, the region added 21,000 households in the nation’s top 1 percent. No other metro area came close” (Jaffe and Tankersley 2013).

These locales, and some of their residents, are the direct beneficiaries of redirected tax revenues from across the country. As Frank (2008) pointed out, the

Table 5. Highest income counties in the United States

<table>
<thead>
<tr>
<th>Rank</th>
<th>County and State</th>
<th>Median household income a</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loudon County, VA*</td>
<td>119,134</td>
</tr>
<tr>
<td>2</td>
<td>Fairfax County, VA*</td>
<td>105,797</td>
</tr>
<tr>
<td>3</td>
<td>Arlington County, VA*</td>
<td>100,735</td>
</tr>
<tr>
<td>4</td>
<td>Hunterdon County, NJ</td>
<td>99,099</td>
</tr>
<tr>
<td>5</td>
<td>Howard County, MD*</td>
<td>98,953</td>
</tr>
<tr>
<td>6</td>
<td>Somerset County, NJ</td>
<td>96,360</td>
</tr>
<tr>
<td>7</td>
<td>Prince William County, VA*</td>
<td>95,146</td>
</tr>
<tr>
<td>8</td>
<td>Fauquier County, VA*</td>
<td>93,762</td>
</tr>
<tr>
<td>9</td>
<td>Douglas County, CO</td>
<td>93,573</td>
</tr>
<tr>
<td>10</td>
<td>Montgomery County, MD*</td>
<td>92,909</td>
</tr>
<tr>
<td>11</td>
<td>Charles County, MD*</td>
<td>91,733</td>
</tr>
<tr>
<td>12</td>
<td>Nassau County, NY</td>
<td>91,414</td>
</tr>
<tr>
<td>13</td>
<td>Stafford County, VA*</td>
<td>91,348</td>
</tr>
<tr>
<td>14</td>
<td>Morris County, NJ</td>
<td>91,332</td>
</tr>
<tr>
<td>15</td>
<td>Putnam County, NY</td>
<td>90,735</td>
</tr>
<tr>
<td>16</td>
<td>Calvert County, MD*</td>
<td>89,393</td>
</tr>
</tbody>
</table>

U.S. median income 50,502

Note: * denotes counties in the greater Washington, D.C., area.

Income estimates are for 2011 and are from the American Community Survey. Note that “county-like” political entities were not included in this ranking. Such entities in the contractor region shown in Figure 1 include the enclaves of Falls Church City, Virginia (where the median household income is $121,250), and Fairfax City, Virginia ($106,690).
federal government’s turn to outsourcing and to privatization empowered and enriched a Republican-leaning, suburban-dwelling affluent class, clustered in the already rich counties within commuting range of Washington, D.C., and the Beltway (see Friedman [2013] for particular cases). For this reason, Peck’s (2011) examination of neoliberal suburbanization connects the demographic and economic fortunes of Loudoun County with the political economy of contracting, and with the ideology of neoliberalism (see also Gerhard 2011).

Development contracting is just a small part of the contracting economy that is enriching certain citizens of the most comfortable counties in the United States, to be sure. Nonetheless, it is particularly poignant that dollars allocated to make a positive impact in the lives of the world’s poorest often never make it beyond the Beltway region.

Although the recent shifts in the global aidscape already discussed, particularly the emphasis on country ownership, might threaten some aspects of this boomerang effect, the heightened role for technical assistance (TA) ensures it will continue. TA is renowned for the way its financial flows hover above the “targeted” population, with the majority of TA funding ending up as payments to consultants—typically from the global north (Walker et al. 2008; AidWatch 2010). One study of TA in Afghanistan in 2005 and 2006 reported that “[c]ontracts for technical assistance are estimated to have a local impact of around 10%. The major expense in these contracts is salaries and allowances paid to international consultants under these contracts—this constitutes around 80–85% of the expenditure under these contracts” (Peace Dividend Trust 2007, 14). Not surprisingly, U.S. contractors, especially those in the for-profit sector, and those who style themselves as consultants, have been making the case for themselves as purveyors of TA and have been stressing the need to build capacity in recipient and partner countries via TA contracts. In addition, U.S. development contractors are preparing to partner with recipient country agencies to which USAID funds will be given more directly in the future. Given that other leading donor agencies are also already moving toward country ownership, U.S. contractors are facing competition from European and Australian firms (Ashurst 2012).
Conclusions

This article traced the contemporary U.S.-based development assistance assemblage. It took an approach that started in the middle, with contracts and contractors. It sketched out a critical geographic perspective on how U.S. development assistance is done and what some of the effects are of the rising power of development contractors.

The development industrial complex did not exist forty-five years ago and, as Figure 1 shows, just ten years ago it was still relatively small. USAID contracting has spawned the growth of a complicated and extensive tangle of relationships running through diverse entities and individuals, and unevenly shaping and connecting particular spaces. The details of companies, contracts, projects, and people were used to formulate analytical observations. Robbins and Marks (2010) argued that assemblage thinking is valuable inasmuch as it “draws attention to: 1) relationships between people and things; 2) changing trajectories and rates of change, including acceleration and trans-mutation as well as deceleration and stabilization; and 3) spatially heterogeneous forms and effects” (182). Using these three categories, let me summarize what this foray into the development industrial complex suggests for our understanding of the political economy of development.

First, then, this assemblage contains a myriad of people and things. Any of them could have been useful starting points for an analysis. Given the paucity of basic research on this assemblage, however, this article had to conceptualize this assemblage in the first place and then identify key components. Consistent with its relational approach and its focus on the middle, much attention was given to identifying and delineating the key entities involved in USAID development contracting. Among the things identified are companies and organizations, institutions themselves made up of relational webs connecting social and material elements. Individual people appear at times in this article to provide a brief examination of the sociospatial pathways taken by exemplary actors and glimpse how such pathways traverse and asymmetrically connect diverse other spaces, things, and people. Money is a peculiar “thing” and following it is difficult. Nonetheless, this quest was taken up because money is what capacitates this assemblage and conjures it into being. More particularly, it is money pouring out of a neoliberalized state and into a world where public money becomes private accumulation (including on the part of so-called nonprofits) in the name of development.

Second, the development–industrial complex is changing, and although the rate varies somewhat with each federal budget, recent change has been very rapid. Within this trend, contradictory tendencies are evident, as the phenomena that are being described here are in flux, even as there certainly do appear to be consolidations of interest (e.g., among the for-profit contractors in the face of the turn to “country ownership”).

Third, the spatializations entailed in and through the assemblage in question are at once extensive and intensive and ordered and hierarchical themselves and in relation to one another. The development–industrial complex entails sociomaterial processes that differentiate subjects and generate inequalities. The assemblage’s relations hail, enroll, and include people and things in the more than 14,000 locations around the world in which USAID currently runs projects (USAID 2013e). These projects’ many reports, and the water pipes, health clinics, and studies they assemble, can be taken to indicate self-evident “spaces of development assistance.” But, just as surely, the office parks, cocktail parties, awards luncheons, networking seminars, and multi-million-dollar homes of development contractor CEOs in Northern Virginia are themselves “spaces of development” or more properly spaces of development capital. Just as the southeast of England’s prosperity grew up with finance capital based in the City of London, but with tentacles all over the globe, I venture that the greater Washington, D.C., area’s recent extraordinary accumulation has grown up with the rise of contractor capital, a subset of which has been the focus in this article.

“Development is most usefully understood in terms of the exercise of power in multiple, interconnected arenas, inseparably linked with the socially and spatially uneven dynamics of capitalist development” (Hart 2010, 122). Thus, questions arise of how to theorize the assemblage described herein in terms of capital and in terms of class. Goldman (2005, 67) wrote suggestively of the World Bank’s problem of having to mobilize its funds as “development capital.” “Poverty capital” was the name given by Roy (2010) to the circuits of microfinance (connected with global financial markets) she studied. Can we likewise speak of contractor capital? What would it mean? Specifically, how would we understand the social relations entailed therein? Is it a matter of accumulation with some productive, generative moments, or is it more a case of dispossession? Or, is what is going on the rise of a new and distinctly territorialized rentier stratum? By identifying a set of
sociomaterial arrangements, a hodgepodge assemblage, that itself needs to be analyzed in terms of political economy, this article lays the foundations for tackling such questions.

Acknowledgments

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Notes

1. Deleuze famously recommended beginning in the middle, saying that what happened in the middle was always more interesting than the beginning or end points (in an interview with Claire Parnet; Deleuze and Parnet 1987).

2. Norgrove’s death added to the fourteen officially reported deaths of persons working for DAI in Iraq and Afghanistan between 1 September 2001 and 30 June 2010 (Miller 2009, 2010).


4. 2003 is the first year available in the usaspending.gov database.

5. This can be supplemented with information from business analyses, such as that by Hoover’s Inc. (a subsidiary of Dun & Bradstreet). So, for example, Hoover’s identifies the top three competitors for Chemonics as Abt, Creative Associates International, and DAI. For DAI, the top three competitors are Accenture PLC, Chemonics, and Creative Associates (Hoover’s 2013).

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Easterly, W. 2006. The white man’s burden: Why the west’s efforts to aid the rest have done so much ill and so little good. New York: Penguin.


USAID and the Rise of Development Contractors

21


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Correspondence: Department of Geography, University of Kentucky, Lexington, KY 40506-0027, e-mail: sueroberts@uky.edu.