

THE CASE FOR AN INDEPENDENT DEPARTMENT-LEVEL UNITED STATES FOREIGN ASSISTANCE ORGANIZATION

Austin Morton

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Professor Irving Rosenthal
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Introduction

This paper argues for the reorganization of the U.S. government foreign assistance framework into a single, independent, Department-level organization as the best way to improve and reform the administration of U.S. foreign assistance. No single sector of society or state can bring about a strong developmental policy to enrich our world and better secure the United States against weak and failing states. Instead, achieving bilateral development goals requires a U.S. foreign assistance framework that coordinates all of the policy and operational areas in development assistance by the strongest possible mechanism. This paper is divided into three sections. The first discusses the history and modern environment of U.S. foreign assistance and the lessons that can be applied to potential organizational reforms. The second reviews the literature of reform proposals. The third section analyzes the characteristics of the most effective Department-level U.S. government bureaucracy to plan and manage international development.

The History and Environment for U.S. Foreign Assistance

The Ever-Changing Mandate and its Effect on Development Assistance's Mission Objective

No objective supporter of foreign aid can be satisfied with the existing program-actually a multiplicity of programs. Bureaucratically fragmented, awkward, and slow, its administration is diffused over a haphazard and irrational structure covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete, inconsistent and unduly rigid and thus unsuited for our present needs and purposes. Its weaknesses have begun to undermine confidence in our effort both here and abroad.¹

While these words, spoken by President Kennedy in his 1961 inaugural address, were an accurate criticism of the state of the U.S. foreign assistance structure in the 1960s, it applies

¹ John F. Kennedy, "Special Message to the Congress on Foreign Aid," March 22, 1961, in *Public Papers of the Presidents of the United States: John F. Kennedy*, 1961 (Government Printing Office, 1961).

more strongly to the 21st century organizational structure of U.S. foreign aid. There are now even more foreign aid bureaucracies operating under different Executive Branch and Congressional mandates and supervision. Efforts like the Millennium Challenge Corporation, established to create stronger aid standards, have created more confusion. Since these words were spoken, there have been more congressional and administrative measures added. What success Kennedy achieved in streamlining aid efforts with the creation of the United States Agency for International Development (USAID) in 1961 was undone and further complicated through years of changing objectives and the addition of more agencies and layers of bureaucracy without an overall policy or implementation coordinating mechanism.

Before the adoption of President Truman's Point Four in 1949, the private sector, including American missionaries and private businesses, but also many smaller intra-department U.S. government agencies conducted small and limited foreign assistance programs that contributed to development projects in what had become known as the Third World.² In Truman's 1949 inaugural address he initiated the interest of the federal government in international development with his fourth foreign policy goal, which stated Truman's desire for "A bold new program for the improvement and growth of the world's underdeveloped areas."³ The Mutual Security Act of 1951 sought to place all the existing aid programs in a single budget proposal and focus foreign assistance to provide mutual security against rising communist forces.⁴ However, a streamlined reorganization was foiled even in the early years of development assistance, as the Mutual Security Agency (MSA) was given only the responsibilities of the Marshall Plan's dwindling technical and financial aid. The two other aid organizations, the Technical Cooperation Administration (TCA) and Inter-American Aid Agency (IAA) coordinated with MSA but were

² Butterfield, 5.

³ Butterfield, 2.

⁴ Butterfield, 36

not part of a single authority on international development as the MSA was modeled.⁵ Despite the rejection of a strong MSA, the Truman administration and Congress both believed foreign assistance could reduce the sense of America's vulnerability to communism through mitigating Third World poverty.⁶ Just as development and growth were necessary to thwarting global communist ambitions during the Cold War, so now are the conditions of local development pivotal to avoiding insecurity from weak and failing states and states in conflict.

A brief historical summary of U.S. foreign assistance efforts highlights a widening scope of activity and demands on the development assistance organizations and initiatives without an overhead agency for guidance, supervision and coordination. This was complemented with the slow realization by American leaders that development issues are comprehensive and politically and economically intertwined. In the 1950s, aid efforts focused on technical assistance under the direction of TCA, renamed the International Cooperation Administration (ICA) during the Eisenhower Administration.⁷ Personnel in development assistance at that time were specialized in technical knowledge, and included scientists, managers, and other specialists in a variety of fields.⁸ Eisenhower added financial assistance under the Development Loan Fund (DLF) to fund technically-assisted projects in the Third World, after criticism that without funding, technical assistance is infeasible.⁹ Within six years, development assistance went from a technical framework to include major efforts of financing projects of recipient countries. In one of the most significant restructuring to date, Kennedy consolidated the ICA and DLF into The United

⁵ Butterfield, 37.

⁶ Butterfield, 36

⁷ Butterfield, 8.

⁸ Butterfield, 8.

⁹ Butterfield, 9.

States Agency for International Development (USAID) and added the Peace Corps as a productive American outreach for idealistic support for international development.¹⁰

Kennedy had wanted the 1960s to be the “Decade of Development” and his efforts were prescient in terms of organizational and conceptual changes to U.S. foreign aid. Yet Kennedy’s new USAID quickly became embroiled in the Vietnam War effort. By the time of the Johnson administration, there was a parallel in both the extent of American involvement in Vietnam and the peak of direct-hire personnel in USAID.¹¹ The new USAID found itself with an added mandate, supporting the war efforts in Vietnam led by the U.S. military. The concept of development assistance was hedged under national security support nearly from the start of USAID. Soon after, Congress’ “New Directions” changed development’s policy focus again to basic needs of the rural poor including agriculture and basic health, recognizing the competition with the Soviet Union for the support of the Third World. Also in the 1970s, Congress pushed the Executive organizations to add improving the conditions of women into the aid mandate.¹² During the Reagan Administration, market-supporting institutions and market forces were promoted by USAID. Bush Sr. added concerns about sustainable development of a recipient country’s finances, its private sector and the environment.¹³

With the end of the Cold War, development aid was much reduced as a strategic objective of U.S. foreign policy¹⁴, but its objectives were expanded to include promoting world trade, democracy, “good” institutions and world health issues.¹⁵ By this time, bilateral aid efforts had significantly proliferated out of the mandate of USAID. Aid coordination in Eastern Europe and

¹⁰ Butterfield, 10.

¹¹ Butterfield, 10.

¹² Butterfield, 12.

¹³ Butterfield 12.

¹⁴ Lancaster (2008), 12.

¹⁵ Butterfield 13.

a democracy funding program became the responsibilities of the U.S. State Department early in the Clinton administration. Small aid assistance programs became present in almost all federal departments.¹⁶ A real moment for this organizational chaos began in the Clinton administration. Affected by the splintered foreign assistance bill and the de-focusing of foreign assistance with the end of the Cold War, the 1990s were a time where every cause found a program with the help of Congressional and Executive Branch champions.¹⁷

After the collapse of the threat from the Soviet Union, development aid began to be seen as lower priority. However, America's interest in economic developmental rose swiftly again during the opening years of the 21st century, because of the terrorist attack of September 11 2001 and the growing awareness of HIV/AIDS.¹⁸ Calls for reinvigorated foreign assistance stemmed from a sense of vulnerability to terrorism and failed states and the belief that aid could mitigate security threats and threats from destabilizing transnational issues.

New administrations and several Congresses added new focuses onto the mandate of foreign aid while retaining the old programs. With the continued addition of new policy focuses over the course of the first five decades of U.S. development assistance without an organizational reform addressing the growing breadth of the aid environment, the chaotic organization and perceived rigidity of the system are not surprising. There were simply too many demands for a system that is as decentralized as foreign assistance. The United States needed then and needs even more today a new framework of foreign assistance that can unify and adjust to the expanding environment of development objectives.

¹⁶ Lancaster (2008), 12.

¹⁷ Hyman, 4.

¹⁸ Brainard, 1.

Trend of Recent Foreign Aid Reorganization: The British Ministry Model

Almost half of the members in the Organization for Economic Cooperation and Development (OECD) have reorganized their foreign assistance networks in the past decade.¹⁹ The most pertinent to this study is the experience of the United Kingdom. There are important parallels between the condition of the British development efforts pre-2001 reform and the modern American framework. Throughout the period from the 1970s-2001, various British governments switched the leadership and management of their development assistance bureaucracy. At times, there were governments which included an Overseas Development Administration (ODA), which had institutional independence and a high government profile.²⁰ Yet the ODA was unable to keep foreign aid programs from commercialization and could not influence broader government policy to coordinate development policy within the larger foreign affairs framework.²¹

There were three principle changes to development institutions and their policies when Labour came to power in Great Britain in 1997. First, the Department for International Development was created with the old powers of the ODA responsibilities for bilateral aid and multilateral development agencies. But it was also given the authority to coordinate development policy across the government as a whole.²² Second, the new organization was given a clear mandate – poverty reduction – and bureaucratic targets to reach it. The most important change to the reorganization of the British foreign aid framework was the mandate of policy coherence given to the new Department. Through its new authority, it had a voice and “a seat at the table” in the formulation of government policy in foreign policy areas related to development

¹⁹ Development Assistance Committee, *Managing Aid: Practices of DAC Member Countries* (Paris: OECD, 2005), p. 11

²⁰ Barder, 285.

²¹ Ibid, 286.

²² Barder, 291.

assistance.²³ This has had the positive and studied effect of tempering short-term considerations within other Ministries with the longer-term agenda of the DFID with demonstrable influence in changes to trade and environmental policy.²⁴

Some of the improvements experienced by the DFID were the reforms to process and changes in mandate facilitated, but not directly improved, by the reorganization of international development efforts. The reforms of development assistance strengthened the development community's hand in improving the allocation of aid to a more rational, but politically contentious process. The policy of providing goods and services from U.K. suppliers was abandoned for a program allowing free competition of contracts, which raised Britain's development assistance program efficiency by fifteen to thirty percent.²⁵ The unified DFID also changed its evaluative process to be based on evidence of successful outcomes rather than input of resources. This was facilitated by a rise in transparency of all development programs accessible by the DFID's website. As almost all development assistance was placed in one organization, the reform to evidence-based policymaking deeply permeated the government programs.²⁶ The United States could copy this centralizing reorganization to make the U.S. processes of development assistance more efficient and effective.

Bush's Reorganization of the Framework

Efforts at unifying the aid structure have been attempted many times. Under Vice President Gore's initiative of "reinventing government", it was proposed to him by the Department of State to merge USAID with State. These efforts were resisted, not because of the bureaucratic weight of USAID's protests, but because First Lady Hillary Clinton grew impressed with USAID's

²³ Ibid, 292.

²⁴ Ibid, 304.

²⁵ Ibid, 305.

²⁶ Ibid, 308.

performance in Africa, South Asia, and Latin America and protected the organization against the proposal.²⁷ This highlights an important organization dynamic with development agencies.

Typically, lower level organizations lose fights to Department-level co-actors due to their greater bureaucratic weight within the U.S. government system. For example, the creation of MSA, which could have unified many development and security efforts into a single organization, was rejected through protests from the powerful Departments of State, Defense, and Treasury.²⁸

Organizational reform requires strong Executive and Congressional cheerleaders and champions.

President George W. Bush and Secretary of State Condoleezza Rice were strong proponents of foreign aid reform. This was accomplished with the support of a very compliant Republican Congress. George W. Bush's administration added two organizations to the foreign aid bureaucratic network and attempted to merge USAID into the Department of State. Both organizations were designed to address purported failings in development assistance, by demanding more efficiency and addressing the new HIV/AIDS epidemic. Facing criticism over lax standards of aid effectiveness, President Bush proposed the creation of the Millennium Challenge Corporation (MCC). The MCC's mandate was to develop greater ownership incentives for recipient governments by performance eligibility standards that hoped to ensure that recipient governments wanted the aid to achieve the objectives desired by the United States.²⁹ The MCC was made an independent entity, despite lobbying to the contrary by both Secretary of State Colin Powell and USAID Administrator Andrew Natsios. It is commonly believed that the decision for an independent sub-level organization was made to protect the MCC's development-based standards from Congressional earmarks, from State Department

²⁷ Lancaster (2008), 15.

²⁸ Butterfield, 36.

²⁹ Lancaster (2008), 19.

diplomacy priorities, and from USAID's perceived ineffectual management.³⁰ In MCC's mandate, its activities are comprehensive, spanning a wide breadth of development issues that are also implemented by USAID, State, and other development organizations.

The second organization created by President Bush was the President's Emergency Plan for AIDS Relief (PEPFAR) located in the U.S. State Department. The Bush administration reacted to increased awareness of the breadth of the HIV/AIDS epidemic and calls by women's rights groups for action by creating an organization devoted towards humanitarian relief from the HIV/AIDS epidemic in Africa.³¹ The program had three responsibilities: prevention of infection by sexual education, treatment of the infected through anti-retroviral-drugs, and care for those affected by providing social nets like orphanages.³² PEPFAR soon began to expand its mandate beyond humanitarian response to include local capacity building of sustainable practices. A comprehensive approach including education of women and capacity building of health care systems was soon promoted as a necessary complement to the initial emergency work of PEPFAR.³³

Both new organizations –MCC and PEPFAR - now have expansive mandates that overlap with other, previously formed U.S. foreign aid programs. These new organizations ran quickly into the same conclusions that our review of the history of development organization has come to slowly. Social, political and economic development concerns are comprehensive and intertwined and effective development initiatives must be equally comprehensive and intertwined. Yet, the G.W. Bush administration still required stringent, compartmentalized measures through State/F, even after PEPFAR began expanding its mandate to include the very broad-focused institution

³⁰ Lancaster (2008) 20.

³¹ Lancaster (2008), 22-23.

³² Lancaster (2008), 25.

³³ Lancaster (2008), 27.

building it was supposed to circumvent. As former USAID administrator Andrew Natsios testified:

...our aid program has gradually moved away from institution building, program sustainability, and capacity building towards the delivery of services directly to poor people in developing countries. The HIV/AIDS PEPFAR program is one example of this. Building institutions takes a long time and a great deal of patience, requires local political will and leadership, and sustained funding, but it ought to be the ultimate objective of aid programs.³⁴

Without a guiding hierarchy coordinating efforts and mandates, individual organizations, especially those like PEPFAR devoted to single-issues, found mission creep necessary to fulfill their mandates. PEPFAR is a clear example of the failure of a limited-issue concept to achieve successful development assistance.

The Failure of Transformational Diplomacy

The theory of transformational diplomacy initiated by Secretary of State Rice was to coordinate the efforts of U.S. diplomacy and U.S. foreign assistance by placing the budgetary power of USAID into the State Department. By this reform, it was hoped that actions of State and USAID would be better coordinated.

Foreign assistance is an essential component of our transformational diplomacy ... to empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people...and to prevent future failed states like Afghanistan.³⁵ – Secretary Rice

While this statement is an assumption that countries cannot make these investments quickly without the infusion of foreign assistance, there is a widely held consensus that U.S. vulnerabilities to the chaos of weak states like Afghanistan require just this attitude towards

³⁴ Natsios, Andrew. *Testimony before the Senate Foreign Relations Committee*. 1 April 2009

³⁵ Lancaster (2008), 29.

coordination.³⁶ The problems with the new concept of Transformational Diplomacy introduced by Secretary of State Rice were that it tied all development to supporting short-term national security interests as seen from the State Department and more importantly, it sought to subsume the development bureaucracies into an unequal partnership directed by the State Department's State/F. In the new system, the USAID Administrator was given the title of the Director of U.S. Foreign Assistance (DFA), a position with rank equal to a deputy secretary of state. The DFA was also given some new coordinating authority over the MCC but had no legislative or Presidential authority over the many smaller programs throughout twenty four other domestic federal agencies.³⁷

What the State/F Process Got Right and What It Got Wrong

The State/F Process was reputedly established because of Secretary of State Rice's inability to get an answer to the question of how much the U.S. was spending on democracy promotion. In the attempt to rectify disorganization highlighted by the inability to answer this seemingly innocent question, a number of other questions were asked: One, how are foreign assistance funds being used? Two, what is being achieved with these funds? A third question: whether present outcomes were the right outcomes for both U.S. foreign policy goals and are they having sustainable impact on poverty reduction?³⁸ This third question, while valid, was contentious and less important than the criticism that the structure is chaotic. Determinations on outcomes can only be decided if the system is coordinated enough to provide estimates like Rice's unanswered question.

The State/F system attempted to establish a system of evaluation, but it went too far trying to establish a "uniform system to record, measures and assess various types of U.S. government

³⁶ Armitage and Nye, 2.

³⁷ Lancaster (2008), 30.

³⁸ Wilson, Lancaster (2008), 33.

assistance programs across over 150 countries.”³⁹ By doing so, the State Department and the first two DFAs created a system that was too vertical and burdensome to in-country staff, taking away the long-standing prerogative of in-country staff to set their own agenda in concert with the government of the aid-receiving government.⁴⁰ The State/F system demanded both the creation of detailed country-specific annual programs for each fiscal year down to the individual grant, while at the same time demanding a five-year strategy. Authority to alter any part of the operational programs was given vertically, to the Secretary of State herself.⁴¹

This error was caused in part by the organizational cultural differences among the State Department and USAID, PEPFAR, and MCC. The creators of the State/F process had little understanding of the flexibility needed to measure progress for many sectors of development assistance. Measuring the progress of transforming societal and economic conditions is difficult to quantify as required by federal law, OMB, GAO, and IG audit requirements.⁴²

Yet the bigger problem with State/F was that it did not accomplish what it set out to do: streamline the development assistance process to be more effective. The State/F process did not streamline any structures of foreign assistance, but merely categorized already existing initiatives under 407 subprograms.⁴³ It added a layer of review and authority without removing any of the duplicative organizations and missions and has only been a half measure. State/F only incorporates 55% of the foreign assistance activities of the United States.⁴⁴ Astonishingly, State/F is now charged with coordinating economic development and poverty reduction efforts, but with little history or staff experience of engaging in economics or development.⁴⁵ At best

³⁹ Ibid, 33.

⁴⁰ Hyman, 9.

⁴¹ Hyman, 10.

⁴² Natsios, Andrew. *Testimony before the Senate Foreign Relations Committee*, 1 April 2009.

⁴³ Hyman, 13.

⁴⁴ Herrling and Radelet, 285.

⁴⁵ Herrling and Radelet, 285.

State/F created a list of measures including only half of the foreign assistance activities and at worst merged organizations with dramatically different mandates and cultures to operate less efficiently.

Recommendations of the Literature

Organizational Reform as Nexus

Clearly, there is a need to reform the structure of U.S. foreign assistance bureaucracies, but the path forward is unclear and numerous proposals are in circulation. The Center for U.S. Global Engagement recently released an action agenda of twenty reviewed proposals for the Obama Administration highlighting seven changes to the U.S. foreign assistance network: formulating a national security and global development strategy with equal roles for development, defense, and diplomacy; increasing funding and resources for foreign aid civilian bureaucracies; reforming the U.S. foreign assistance organization for improved efficiency in policy and program implementation; enacting Congressional reforms in oversight and legislation; integrating strategies for fragile state programs; moving Defense foreign assistance activities back to civilian agencies, and strengthening U.S. support for international organizations.⁴⁶ Although these general points are important, much detail is left to be hashed out, especially in matters of reforms to the organizational structure.

Also, there is little discussion of the prioritization of these seven goals. In fact, many of these seven proposals overlap under a larger proposal of organizational reform of U.S. foreign assistance structure. Four of the seven points of consensus are either dependent on, or would be greatly facilitated by, organizational reform including: the priority of reforming the U.S. foreign assistance organizations itself, integrating strategies for fragile state programs, increasing

⁴⁶ Armitage and Nye, 2.

resources to civilian aid agencies, and moving Defense foreign assistance activities back to civilian agencies. These priorities are all part of a greater proposal to reform the organizational structure and cooperative mechanisms within the U.S. bureaucracy. The structure of U.S. foreign assistance organizations will be pivotal to integrate strategies including Department of Defense functions. Also, increasing resources in an inefficient system inevitably increases the inefficiency. As Lael Brainard points out:

Well-meaning increases in resources could be vitiated by the realities of bureaucratic turf battles, lack of coordination with international efforts, and contradictory approaches across the many U.S. policies affecting countries receiving U.S. assistance.⁴⁷

To properly enact a comprehensive organizational reform of U.S. foreign aid, reforming the aid bureaucracies will require increased financial and personnel resources, integration with Defense Department civil projects, harmonizing fragile state policies and coordinating with State Department's political goals. The success of U.S. foreign assistance reform will depend greatly on how the organizations of U.S. foreign aid are changed.

Alternative models are broken down into three basic systems: reorganization efforts limited to increasing coordination, piecemeal streamlining of key foreign assistance organizations, and creation of a comprehensive single agency for development.

⁴⁷ Brainard, 33.

Three Proposals of Reorganization

1. Inter-agency Coordinating Mechanism

Pros

Considered the easiest reform option, arguments for this route are strongest for its simplicity and integration with the State/F system. Such a mechanism could gather information on U.S. aid activities, develop strategic plans, and assess the effectiveness of foreign assistance efforts in their totality. This move would require little political capital, as the changes would be structured around a commitment on the part of the White House and heads of the Executive agencies.⁴⁸

Cons

Inter-agency groups have met in the past but certain problems with coordination are common in coordinating bodies that represent different organizations but do not directly control budgets or mandates. These problems include: a failure to share relevant information, a long time-line for coordinating deliberations, and the tendency to promote each organization's own agenda and not engage in combining policy initiatives.⁴⁹ More importantly, a coordinating mechanism would still not easily integrate policy and operations or raise the profile of development within the U.S. government system.⁵⁰ The difficulty in policy integration and raising the profile of development assistance within the U.S. government leave great concern in efficiency unanswered.

2. Limited Streamlining

Calls for limited streamlining fall into two categories: merging USAID and State and integrating USAID with PEPFAR and MCC. The merging of State and USAID has already been

⁴⁸ Brainard, 57.

⁴⁹ Lancaster (2008), 80.

⁵⁰ Brainard, 56.

done in part by merging the strategic planning and budgeting functions of USAID and the State Department.⁵¹

Pros

USAID and State Merger: Such efforts generally seek to streamline organizational layers down to three or four levels of authority.⁵² Similar proposals are mirrored with consolidating the number of bureaus and offices reporting directly to the Secretary of State. While these strengths are needed to the organizational framework of U.S. foreign assistance, the methods or the benefits are not exclusive to limited streamlining. Indeed, by the State Department's own admission, the environment is poorly suited for a limited reorganization.

Tactical decisions in one venue will have unexpected strategic implications in others. Global actors will operate at the speed of the network that supports them. Organizations that are inhibited by internal obstacles and bureaucratic structures will struggle to keep pace with the action around them, let alone be able to shape, direct, or restrain that action.⁵³

This rhetoric from the State Department is indicative of the need for more focused and comprehensive unification of foreign assistance. As discussed earlier, State/F efforts at limited streamlining complicated coordination, not just because it was done poorly, but also because development is best managed differently from diplomacy.

Strengthening USAID or Successor Agency: A strengthened USAID or successor agency has been recommended to guide U.S. development assistance in which the Secretary of State would retain a role of leadership, but with stronger USAID staffing of development professionals to analyze programs to better benefit low-income and failing states.⁵⁴ Such an organization is easier than a Department-level organization politically, because it does not overlap on the vested

⁵¹ Blechman, 3.

⁵² Blechman, 4.

⁵³ Ibid, 7.

⁵⁴ Herrling and Radelet, 302.

turf of other bureaucracies. Of special importance is the retention of the Secretary of State as the primary decision-maker of foreign assistance.⁵⁵ It would be preferable to a completed merger with State/F, as an agency of development assistance would gain greater staffing capability and marginally better policy coherence.

Cons

USAID and State Merger: This proposal builds on the original State/F plan. The weaknesses of limited streamlining are two fold: the conflicting bureaucratic cultures and missions of State and USAID and the gaps a limited reform would still leave within the framework. The goal and behavior of State is diplomatic, focused on liaison between state governments and short to medium term issues of concern for the United States Government. USAID's mission is the long-term development of governments and economies, which is considerably longer and broader in scope than single issues with short time horizons. Combining organizations dedicated to distinctly different missions and with different organizational cultures would water down the weaker, in this case USAID, with no benefit of increased effectiveness to the efforts of development at increasing the national security of the United States. It would also weaken State Department by taking its politically sophisticated staff away from their important and specialized role.

Strengthening USAID or Successor Agency: Yet such an organization would still lack the independence and heavyweight bureaucratic influence necessary to best strengthen U.S. foreign assistance. The Secretary of State would set much of U.S. development policy, an attempt the State Department has failed in over the past several years. At best, this option would be a compromise that maintains an unequal attention to diplomacy and defense, while limiting the opportunity of concentrating projections of American soft power abroad.

⁵⁵ Ibid, 302.

3. Unification under a Department-level Organization

Pros

A Department-level proposal remains the best way to streamline the bureaucracy, reduce duplication, and align the bureaucracies with the “3 Pillars” strategy of co-equal government attention to diplomacy, development, and defense.⁵⁶ It is important to point out that plans for a Department-level organization do not always place all development-related activity into a single organization. Even proponents of such a plan typically hold to the organizational theory “form follows function.” Debt relief programs would remain in the Treasury Department and political aid to strategically important countries under the Economic Support Fund and military assistance programs would be decided upon by State and Defense although implemented by USAID.⁵⁷ The function of these programs is not the long-term development of a state and its economy, but rather diplomatic political tools better suited for bureaucracies that traditionally engage in these kinds of activities. As a Department-level entity, a place in the Cabinet would lead to better coordination and interactions with State and Defense and other domestically oriented agencies within USDA and the Departments of Justice, Commerce, and Treasury without succumbing to the problems of poor management that State has shown through the State/F process.

Cons

A criticism for creating a Department-level organization is the potential of problems with coordination. The last experiment at unifying federal programs into a new Cabinet-level organization did not go smoothly. The Department of Homeland Security attempted to put together programs that were more disparate with different objectives and purposes.⁵⁸ It was at best a trying process. However, development assistance programs are much more similar in

⁵⁶ Herrling and Radelet, 287.

⁵⁷ Ibid, 287.

⁵⁸ Herrling and Radelet, 288.

structure and mandate to each other. From the British example, combining like development assistance programs can be done relatively easily with positive results for organizational and program efficiency.

Analysis

Primacy of Reorganization Efforts

While other aspects of reform are important, like Congressional initiatives for rewriting the Foreign Assistance Act of 1961, as amended, and defining strategic objectives, this paper focuses on reforms to the organizational framework of U.S. foreign assistance. Any reorganization of U.S. foreign aid will have to transcend strategic objectives to an extent for at least two reasons. One, any organizational framework will have to address the increasingly globalized nature of development problems affecting recipient countries. Recasting the national objectives of foreign assistance alone will not decrease the confusing system of Congressional mandates and other organizational jurisdiction nor make the implementation of new objective more efficiently implemented. Second, historical trends point to a continued amorphous conception of aid. The analysis of decades and reorganization should be flexible enough to incorporate strategies not yet conceived. Aid objectives have changed frequently. As discussed above, one of the main failings of G.W. Bush's organizational structure of aid was its reliance on issue-based organizations that destabilized the broader structure. The new structure needs to have flexibility and gravity

Disorganization

The present framework of U.S. foreign assistance is organizationally dysfunctional in at least three ways: overlapping mandates and initiatives, unchecked mission creep, and lack of coordination. Sometimes U.S. aid structures suffer from all three of these conditions. For

instance, the Office of Transition Initiatives (OTI) in USAID was created during the Clinton Administration to aid the transition from short-term relief measures to long-term reconstruction. However, its efforts slowly turned to providing development assistance to civil society and governance.⁵⁹ In response, the Bush Administration created another organization devoted to the original mandate of the OTI in USAID, the Coordinator for Reconstruction and Stabilization (CRS) in the U.S. Department of State. In essence, there are now two offices with the same nominal mandate in two different organizations of foreign assistance. While no organization involved in development assistance has been merged or terminated, new organizations have been added. USAID, MCC, and PEPFAR all have similar mandates, yet differ on standards for aid qualification and scope of focus. These differences do not lend adequate reasoning for maintaining separate institutions outside of the jurisdiction of the other.

PEPFAR, in particular, is a program and organizational complex oddity in need of simplification and rationalization. The Office of the Global AIDS Coordinator in the Department of State oversees and coordinates its program with State, USAID, and both the CDC and NIH within the Department of Health and Human Services. As a single-issue development assistance organization, it is able to draw out considerable funds for its own programs. There is criticism that PEPFAR is unbalancing health-related and other development assistance aid away from other urgent priorities.⁶⁰ As PEPFAR is outside the oversight of the knowledgeable development assistance organizations, namely USAID, or even MCC, its efforts are not effectively coordinated with other health-related assistance efforts.

⁵⁹ Brainard, 38.

⁶⁰ Herrling and Radelet, 281.

Similar Sentiment Does Not Mean Similar Mandates

As we saw with State/F, somewhat similar organizations do not necessarily translate into effective combined institutions. The State Department, the Department of Defense, and USAID and other development agencies attempt to project American hard and soft power abroad. Yet their missions and experiences are so diverse, when efforts to combine them under one authority are made, the gaps in one organization's experience in the others is evident. A primary failing of State/F has been a lack of cultural misunderstanding between the State Department and USAID. Defense made similar mistakes in its recent development assistance activities.

The Department of Defense, an organization with no previous experience in development assistance, has been granted oversight and management of development assistance in Iraq and Afghanistan, which now totals over twenty percent of all U.S. development assistance.⁶¹ Provincial Reconstruction Teams (PRTs) in Iraq and Afghanistan highlight the problems with military-led reconstruction and development projects. While the PRT mandates were different in each country, their failings were similar. In Afghanistan, the PRTs led by the military provided local security, conducted small-scale reconstruction, and helped expand the presence of the central government.⁶² In Iraq, the PRTS were led by a senior State Department official and responsible for promoting good governance and security in the provinces as well as 'political and economic development'.

However, common criticisms are found in both. One, there was a dearth of interagency cooperation that lacked a frame of reference or priority. Local and PRT participants found the PRTs had an overt security focus and lacked emphasis on the development assistance it was

⁶¹ Herrling and Radelet, 279.

⁶² Andrews, 12.

supposed to provide.⁶³ Second, the PRTs lacked strategic operational guidance. For the most part, the PRTs had no civilian-military operational framework.⁶⁴ Thirdly, as a result of a lack of common framework, the PRTs focused on short-term physical development assistance with which the State and Defense Departments are more comfortable. Longer-term institutional capacity-building, programs usually directed by USAID, were largely ignored by the PRTs.⁶⁵

Generally, Form Should Follow Function

USAID as the Focus Point of U.S. Development Assistance

Lancaster (2000) provides a useful estimate of delineating purpose, organization, and program, dividing U.S. foreign aid efforts into six purposes: security or peacemaking, development, humanitarian relief, transnational issues, transitions, and democracy.⁶⁶ The only organization functioning within all six purposes of international aid is the United States Agency for International Development (USAID). Essentially, this remains the same today. However, there are major problems with USAID today. Herrling and Radelet highlight a common criticism: “It operates today much more as a contracting agency than as an organization that can provide strong input to U.S. policies and programs in developing countries around the world to face the challenges of the twenty first century.” The quality of USAID’s work has degenerated because of heavy bureaucratic requirements, slow disbursements, and restricted spending by Congressional earmarks and Executive Branch directives rather than because USAID’s professionalism is ineffective.⁶⁷

⁶³ Andrews, 14.

⁶⁴ Ibid, 14.

⁶⁵ Ibid, 14.

⁶⁶ Lancaster (2000), 33

⁶⁷ Herrling and Radelet, 284.

Improvements under a Department of International Development

Major Assumption of Broad Mandate and Mission Objective of U.S. Foreign Assistance

The argument for an independent Department of International Development reflects the breadth in development issues addressed by the U.S. government through development assistance.

While poverty reduction must be one of its central objectives, it is insufficient alone as a mission given the threats facing America and our allies, and the need of developing countries to move away from aid dependency. We must also be engaged in state building, that is, helping countries build the public and private institutions necessary to keep order and administer justice, provide public services such as schools, health services, and roads, facilitate and encourage economic growth, and improve governance to protect human rights and democratic principles. This goes beyond an exclusive poverty focus.⁶⁸

As former Administrator Andrew Nastios observed, the modern demands on U.S. development assistance are large. The need for a Department of International Development assumes that program areas and demands for U.S. governmental assistance in foreign aid will continue to be great and cross many areas of policy.

This also assumes development that assistance efforts retain their effectiveness and that mandates and other restrictions do not make aid ineffective. Some of the literature has argued that U.S. development assistance has been ineffective and government aid programs increasing unnecessary, dispensing aid without rigorous evaluation and poor delivery systems.⁶⁹ Adelman and Eberstadt (2008) indicate what they consider the qualifications for successful foreign aid: local ownership and initiative, partnership, leverage, peer-to-peer approaches, technology adaptation and adoption, flexibility, self-reliance, continuous information feedback and risk. Their refocused foreign assistance framework contains nothing antithetical to the consolidation

⁶⁸ Nastios. *Testimony before the Senate Foreign Relations Committee*, 1 April 2009.

⁶⁹ Adelman and Eberstadt, 2.

of aid efforts. Taking a step back, they may even support such a move indirectly. There is nothing antithetical to the promotion of local ownership, promoting partnerships and flexibility within a Department-level organization. The military is a good example of a flexible Department. Their calls are for USAID to direct more of its attention to facilitating private sector capacity building has already been tried as a development strategy.

A stronger presence of international development, as a Department-level bureaucracy would reflect the criticisms of Adelman and Eberstadt that USAID now ignores the importance of stabilizing failed states and the ever changing “certain solutions” to foreign aid development. Private-sector capacity building was attempted in the Reagan through Clinton years as the answer to underdevelopment, but countries continued to fall further behind after these efforts.⁷⁰ The organizations that facilitate and direct foreign assistance cannot change to just facilitators of the private sector, or America will continue to be at risk from failed states where the private sector is weak and international investment shuns activity.⁷¹

Organizational Efforts Missed the Mark from the Beginning

A proposal for foreign assistance reorganization in the early 1950s accurately predicted the wide conceptual and practical range of development assistance and the corresponding organizational structure such efforts imply. Like in the modern day United States, the 1950s was a time the government began to confront the conceptual challenge of “mutual security.” The concept of mutual security evolved from the nuclear arms race, the heightening of the Cold War, and the vulnerability of Third World countries to communist influence.⁷² In 1951, the House Foreign Affairs Committee proposed the creation of the Mutual Security Agency that contained

⁷⁰ Collier, 1.

⁷¹ http://www.fundforpeace.org/web/content/fsi/fsi_6.htm

⁷² Butterfield, 35.

many of the properties desired in a foreign assistance agency today. The MSA Director would report directly to the President and coordinate with the Secretaries of State and Defense.⁷³

Another desirable attribute of the MSA was the regional coordination provided by MSA's "theater commanders", who would provide coordination of all regional country-level aid. These regional commanders would be responsible for all financial and technical development assistance and also some aspects of military assistance.⁷⁴ The MSA structure was seeking the maximum coordination and efficiency of policy to confront the Cold War threats militarily, diplomatically, and developmentally. However, each country-level aid mission would be under the authority of the resident ambassador, retaining a systematic coordination mechanism with State.⁷⁵ The regional administrator with the responsibility of coordinating all foreign assistance within his jurisdiction would offer the best response to the increasing influence of regional and transnational issues like HIV/AIDS, but also including humanitarian relief and drug activity as well as facilitate regional cooperation with State and Defense programs.

Flexibility and Gravity

A Department-level organization would provide the U.S. government foreign assistance structure with the weight necessary to be a co-equal partner with State and Defense, which is the stated goal of much of the literature. Since international development actors within the U.S. government now lack a seat at policy discussions that affect development concerns without the goodwill invitation of the current administration, coordination between Departments and U.S. bilateral aid organizations is not automatic and integrated only on an ad hoc basis.⁷⁶ Some of the literature has also recommended swift and visible demonstrations by the United States

⁷³ Butterfield, 36.

⁷⁴ Ibid, 36.

⁷⁵ Ibid, 36.

⁷⁶ Brainard, 43.

government to show its commitment to the international community and institutions.⁷⁷ Besides increasing the gravity of international development within the bureaucratic structure of the United States, the creation of a Department-level organization like Britain's DFID would demonstrate a renewed American initiative towards engaging the world's developmental concerns. Institutional reorganization with a mandate to more effectively engage in concerns of international development on the highest bureaucratic level would go far in improving America's image abroad. It would also raise the clout of development efforts within the U.S. government's bureaucratic structure. As a Cabinet-level agency, it would have a seat on the National Security Council and have involvement at the highest level of national security decision making. With a stronger bureaucratic presence, a Department would have better chance of protesting cumbersome and inefficient earmarks and temper potentially ineffective projections of U.S. power without consideration from the development community.

A major asset of the MCC, for example, is its flexibility and invigorated standards for dispensing aid to countries demonstrably practicing good governance. The error of the MCC is in its unnecessarily overlapping mandate with USAID, not its novel system of project development and design. There is nothing antithetical of applying more diligent and transparent standards like the MCC's standards to a wider agency. The DFID did just that. A Department of International Development should adopt some of the MCC's standards of strengthening aid-receiving country interest in good governance and good project management

Greatest Measures of Coordination Possible under a Department Organization

One of the most important advantages of a Department of International Development is the improved coordination to bring expanded development efforts under one centralized authority and the increased ease of cooperation with other Cabinet-level bureaucracies. With assistance

⁷⁷ James, 17.

programs in nearly every federal department and major initiatives in the MCC, State Department, and USAID, stronger cooperation has been an important goal of any proposed foreign assistance reform dating back to the late 1970s. At that time, Senator Humphrey introduced a bill calling for the creation of an International Development Cooperation Agency (IDCA). Under Humphrey's proposal, IDCA would be responsible for coordinating bilateral aid, multilateral aid, and foreign investment promotion activities.⁷⁸ Yet as discussed under the literature review, the coordinating initiative led to a bureaucratic turf battle. Without the strong support of President Reagan, IDCA ceased its attempts at coordination.⁷⁹ To overcome the whims of individual executives and create a durable coordination system, it seems from experience that an institutional system is needed.

A Department that houses most aspects of U.S. aid would greatly improve coordination of the present chaotic situation. Coordination among international aid donors is one of the most potent measures to increase aid effectiveness⁸⁰. The current structure lacks any mechanism like that proposed in Humphrey's IDCA. A stronger coordinating mechanism could have prevented the disorganization demonstrated in U.S. bilateral HIV/AIDS programs. Such disorganization could be tolerated if its effect on aid efforts was benign. However, research suggests that such divided operations hurt recipient countries. In fact, donor fragmentation like that of U.S. bilateral efforts in HIV/AIDS assistance is predictive of lower recipient bureaucratic quality.⁸¹ This is unsurprising since recipient bureaucrats would spend increasing amounts of their time managing contracts if the amount of aid agencies is high, instead of providing services to their constituents. The stronger the coordinating mechanism among foreign assistance programs, the more likely U.S. development with recipient governments will improve. Much of the literature agrees that

⁷⁸ Lancaster (2008), 14.

⁷⁹ Butterfield, 198.

⁸⁰ Brainard, 39.

⁸¹ Stephen Knack and Aminur Rahman, "Donor Fragmentation and Bureaucratic Quality in Aid Recipients," Policy Research Working Paper 3186 (Washington: World Bank, January 2004).

maximum coordination is possible under a Department-level system, but doubt its feasibility mainly because of political opposition.⁸²

The ability of a Department-level organization to increase cooperation among other Cabinet-level agencies is exemplified in the British model. Britain's Ministry-level DFID was quite effective in establishing coordination within its own reorganized ranks, but also in cooperation with the Foreign Office and the Ministry of Defense on issues of conflict reduction⁸³, an issue of primary importance to the modern American mission abroad. After the consolidation of development assistance into one ministry, the DFID, the British government created two cross-government associations for conflict prevention, the Global Conflict Prevention Pool and the Africa Conflict Prevention Pool. These pools were complete with their own budgets and chaired by a cabinet committee of ministers from the three Department-level bureaucracies.⁸⁴ Policy coordination and information, both in London and in field missions, has greatly improved in the area of conflict prevention.⁸⁵

With an invigorated and internally coordinated reformed foreign assistance bureaucracy, it is likely that such successes could be replicated in the United States on the issues of counter-terrorism. This type of organizational cooperation would go far in filling in the gaps of structural misalignment between Defense's Combatant demands and the development community and the State Department's country-level approaches.⁸⁶ Coupled expanded budgets and larger personnel staff, complaints of USAID by the DOD on the slow production of joint civil-military humanitarian aid projects by USAID⁸⁷ could be rectified.

⁸² Lancaster (2008), 78.

⁸³ Barder, 295.

⁸⁴ Barder, 295.

⁸⁵ Ibid, 296.

⁸⁶ Andrews and Kirk, xi.

⁸⁷ Ibid, xiii.

Bigger But Localized and With a More Horizontal Hierarchy

Overall, the decentralized administration within USAID has worked fairly well. Technical officers from regional bureaus analyze the mission performance plans from either USAID mission and embassy staffs. If disputes could not be settled at operating levels, the former Bureau for Policy and Program Coordination handled the disputes.⁸⁸ In order for State/F to have worked “the Washington teams would need to be both *willing* and *able* to make better, more informed, more strategic decisions than the post.”⁸⁹ This is highly improbable as the knowledgeable staff have to be in the decision-making body, either in Washington under State/F or at mission posts as in the old regime. It is unlikely teams based in Washington can make more informed decisions than those on the ground who have knowledge of the local environment. In testimony before Congress, former USAID administrator Andrew Natsios commented: “If we are to undertake successful development programs they must be tailored to the local circumstances or they will fail.”⁹⁰

In its current organizational form, State/F has proven unable to do so. If Washington is less informed of local environments and development nuances than local posts, then how can it make better decisions related to providing good development assistance? State/F has begun to recognize this problem, recently providing field mission programs authority to development strategic plans for review, unlike under the initial State/F system. What State/F has realized belatedly is what a Department of International Development must recognize at its conception. Relationships between mission posts, regional bureaus, and functional groups must be maintained and enlarged to include all U.S. development assistance efforts based on the foundation of mission posts preparing and sending strategic objectives and budgets up to

⁸⁸ Hyman, 11.

⁸⁹ Hyman, 17.

⁹⁰ Natsios, Andrew. *Testimony before the Senate Foreign Relations Committee*, 1 April 2009.

Washington for review and not Washington sending budgets down to the field missions. A comprehensive organization in Washington and localities can deal with all aspects of aid and better focus on local administration than fifty organizations in Washington

Placing all government initiatives into one coordinating body can facilitate this efforts into a unified body of local missions much more effectively than the current framework or the suggestions of limited streamlining or a coordinating body. This was part of the strategy used in Britain's new Ministry of International Development. In order to work towards better local ownership, the DFID's management was decentralized, allowing field offices to exercise strong authority in dialogue with recipient countries.⁹¹

Whereas the private sector has responded to globalization by decentralizing operations, personnel shortages have driven the State Department and USAID to centralize policy and programs in Washington while proliferating the number of actors delivering foreign aid. In 2008, there are more than 50 separate units in the U.S. government involved in aid delivery. The result: diminished capacity to act locally and no systematic means to ensure that civilian capacities are used to their best effect to advance national interests.

Indeed, calls for increasing governmental technical expertise in localized development concerns including health, agriculture, engineering, and humanitarian assistance require long-term positions that are guaranteed to exist in the future.⁹² A larger government personnel system with greater proportions of staffing in field missions rather than headquarters is thought to bring greater potential to furthering local development.⁹³ This system would be best supported by a better-funded, stronger bureaucratic interest in Washington, able to support field missions and attract more government funding. In the recent past, too little attention has been paid to the staffing of the United States Government's foreign assistance organizations, especially overseas.

⁹¹ Barder, 295.

⁹² Stimson, 38.

⁹³ Stimson, 39.

Since 1990, USAID personnel have been cut significantly, with the necessity to work to private for-profit companies. In order for a Department-level organization of foreign assistance to work it requires a larger number of in-house professional personnel. At its current capacity, the relatively low staffing numbers has contributed to a diminished diplomatic and development capability for the United States.⁹⁴

Outline for the Organization of a Department-Level Foreign Assistance Bureaucracy: Department of International Development

The Department-level model is closest to Gulick's definition of coordination by an organization described as a single directing authority under which many employees work in many places at selected times.⁹⁵ Within the U.S. foreign assistance framework today, there are over fifty separate units with multiple levels of authority.⁹⁶ A prospective Department of International Development (DID) would direct those authorities closer to the paradigm of an organization that has many employees working in many places. Included in this single authority is the resumption on an independent budget line to the OMB and to the Congress.

If the Congress intends on having a competent international development agency, its independent policy making authority over the allocation of its budget with a direct line relationship to OMB should be restored and its business systems made once again independent.⁹⁷

A Department-level organization is the highest degree of independence than can be reached that also gives stronger bureaucratic clout to the initiatives of U.S. development assistance than the status quo and maximizes coordinating policy and programs of the current system.

Placed in the Department of International Development should be the USAID, the MCC, and PEPFAR, due to their overlapping mandates and expansive multi-sector program outlook. One

⁹⁴ Stimson, 1.

⁹⁵ Gulick, 20.

⁹⁶ OECD, Development Assistance Committee, "*United States* (2002)."

⁹⁷ Natsios, Andrew. *Testimony before the Senate Foreign Relations Committee*, 1 April 2009.

important detail that should be mentioned is support for the continuation of the MCC experiment. The international programs within Agriculture, Health and Human Services, State (excluding the Economic Support Fund), Labor, Commerce, Justice, Energy, Transportation, and the EPA should also be subsumed into the larger DID framework. This would greatly improve the accountability and tracking ability of the U.S. development framework as a whole and allow for coordinated programs and comprehensive evaluations. Smaller U.S. programs like PL 480 and semi-public agencies like the OPIC should also be placed under the authority of DID for the same reasons.⁹⁸ The DID should be organized by region, like the proposed Mutual Security Agency was designed and how USAID currently operates. While the in-country mission staff should continue the USAID tradition of independent authority to construct budgets, the regional directors should have the coordinating authority to combine efforts of local missions into transnational programs like HIV/AIDS and natural disasters into a cohesive regional strategy.

Two current structures to the framework should remain with the traditional bureaucracies, the Economic Support Fund in State and debt relief in the Treasury. The retention of these programs within their current framework should be upheld because it remains the most efficient follow-up system. The Economic Support Fund is an overt diplomatic tool to keep countries within the American sphere of influence. It should be separate from the longer-term, less politicized development assistance common in USAID, PEPFAR, and MCC. Similarly, the Treasury should continue with its authority debt relief programs and activities with international financial institutions. .

The ability of DID to coordinate with other traditional Departments is of pivotal importance to introducing a successful and cohesive development strategy that can be incorporated with defense planning and diplomatic efforts. As highlighted by Carol Lancaster: “An agency with not

⁹⁸ Rosenthal, 13.

only a strong development mission but one that can connect that mission with other US interests is essential.”⁹⁹ On the long-standing and new issues that require inter-Department coordination, cooperation mechanisms between the DID and relevant Departments should follow the British model of ‘pools’. Even a vastly more unified DID will be unable to comprehensively address all issues of development, so it is of primary importance that successful coordinating mechanisms be institutionalized.

Under the British system, each pool was given its own budget and was chaired by the heads of each ministry involved. The pools were found to significantly improve coordination between departments.¹⁰⁰ Such coordinating mechanisms would prove useful in combating terrorism and assisting weak and failing states, two issues that span wide policy areas from defense and diplomacy to development. A Counter-Terrorism Coordinating Committee and a Reconstruction and Stabilization Coordinating Committee with high-ranking members from the DOD, State, and DID would help inter-Department coordination and provide a better projection of American power in complicated regions. Similarly the Economic Support Fund between DID and State and debt relief between Treasury and DID would also likely benefit from the British ‘pool’ model. Humanitarian assistance might also benefit from such a coordinating mechanism. The military has proven itself valuable in dispensing aid relief. Evaluations have determined that USAID and DOD are out of synch in their development of needs assessment plans and joint ventures.¹⁰¹

The authority to direct almost all development assistance programs will enable the DID to interact with one voice and respond more decisively to outside influences that sometimes hamper development efforts, like congressional allocations that focus exclusively on visible service delivery abroad. The current organizational framework has divided the development assistance

⁹⁹ Lancaster, Carol. *Testimony before the Senate Foreign Relations Committee*, 1 April 2009.

¹⁰⁰ Barder, 296.

¹⁰¹ Andrews and Kirk, xiii.

efforts among multiple, competing organizations that has diminished their ability to protest overly intrusive earmarks and too short-term funding. Government development efforts need a strong authority to push back. For example, pushing for funding in long-term agricultural development research processes like those that fueled the Green Revolution of the 1970s is currently not championed effectively.¹⁰²

The Big Challenges for a Department of International Development

Challenges in the Congress

Comprehensive reform typically invokes visceral resistance to those actors interested in conserving the status quo and this will be played out in the Congress. One big challenge impedes the necessary help to facilitate this type of dramatic organizational change to foreign assistance: a narrow, special foreign assistance initiatives and divergent expectations. Because of the changes in budget procedures in the 1970s, authorizing committees lost their strategy-minded influence over the appropriations process. As a result, Congressional foreign affairs leaders like Richard Lugar were reduced to using committee hearings to influence Executive changes to foreign aid efforts, being unable to bring their reform bills to the floor.¹⁰³ It will be difficult for appropriations staff used to gathering as much bipartisan support to implement appropriations to look strategically and make such controversial decisions¹⁰⁴ as such reorganization will require. This has facilitated pinpointed, special legislation to promote specific technical assistance programs or attach specific conditions like religious freedom and anti-drug trafficking mechanisms into foreign assistance programs, but not since 1961 has foreign assistance reform

¹⁰² Ibid, xiii.

¹⁰³ Flickner, 229.

¹⁰⁴ Flickner, 230.

been comprehensively reviewed by Congress.¹⁰⁵ Unless a Congressman has a vested personal interest in a specific issue, dynamism lies with the Executive Branch. A legislative reform that seeks comprehensive reorganization of the foreign assistance system may be difficult to push in Congress' agenda and will require exceptionally strong Executive Branch support.

Bureaucratic Infighting

The creation of a DID would step on the jurisdiction of virtually every federal agency. Uncompromising White House support will be necessary to push such reorganization. Traditionally this has not happened often and failed in 1951 with the MSA, because President Truman was unwilling to go against the Treasury, State, and Defense.¹⁰⁶ It is likely that such a reform would suffer again because of the same vested interests are even more entrenched than they were in the 1950s.

Conclusion

The model for a Department of International Development remains the optimum policy option for improving policy coordination among Departments on matters of foreign assistance, the optimum policy for simplifying the development assistance framework, and the optimum policy for more efficient development efforts. Foreign assistance efforts lie in a framework of tolerated or ignored chaos to the detriment of all actors. The State and Defense Departments have proven to be poor handlers of long-term development assistance traditionally instituted by USAID, but now also by a host of other actors including MCC, PEPFAR, and a plethora of other federal agencies. The proposed DID can coordinate overlapping agencies while retaining a professional management and knowledge that neither Defense nor State can match. As the

¹⁰⁵ Ibid, 227.

¹⁰⁶ Butterfield, 36.

British DFID demonstrates, a centralized, high-ranking agency can also maintain its local-mission focus while bringing more strongly over coordinated efforts. Neither does a DID compromise the experimental nature of MCC, but an independent sub-agency of DID would retain MCC's novel aspects while benefiting from a more structured and predictable aid flow. The strongest challenges to a DID model are not the benefits such a reorganization would accrue, but the vested interests needed to be overcome. A Congress which has proven disinterested in foreign assistance reform and strongly entrenched bureaucratic interests constitute the real challenge to the DID model.

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