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With the Passing of the Torch, a New Dawn for US Foreign Assistance?

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Due to their personal charisma, global popularity, and relative youth on assuming the US presidency, many parallels have been drawn between John F. Kennedy and Barack Obama in the recent past. On the eve of Obama's historic inauguration, it seems only fair to highlight another, widely overlooked, similarity between the two men: their common promise at the start of their terms to reinvigorate US foreign assistance programmes. At his inaugural in 1961, the year Obama was born, Kennedy pledged to support states emerging from colonial rule, to help the world's poor, and to offer special assistance to Latin America. Within a matter of months, these pledges were translated into new policy initiatives, signalling a heightened commitment to global development issues. The creation of the Alliance for Progress led to significant increases in aid to Latin America, while the passage of the Foreign Assistance Act sought to streamline the bureaucratic organisation of US foreign assistance programmes, separating military and non-military aid and creating the US Agency for International Development (USAID) to administer development assistance programmes. The United States and the world have changed considerably since 1961, but the Kennedy example raises an important question: to what extent will Barack Obama be able to offer new impulses for US foreign assistance policy?

Without any precedence in recent history, the incoming Obama administration faces high expectations from within and outside the US to address a complex array of domestic and foreign policy problems. And there are indeed four good reasons to believe that the new president will be able to fulfil high hopes related to the revitalisation of foreign aid programmes and increasing America's commitment to global development more broadly.

First, this is due to Obama's biography and political record. His personal story includes an African heritage and several formative years spent living in Indonesia. As a senator, Obama worked to draw increased attention to some of the most pressing challenges facing Africa. One of his key legislative accomplishments was to increase aid for the stabilisation and democratic development of the Democratic Republic of the Congo, and Obama was also a prominent advocate for increasing US pressure on the Sudanese government to end the genocide in Darfur. As a presidential candidate, Obama's interest in enhancing the global development component of US foreign policy was similarly evident. On the campaign trail, he embraced the achievement of the Millennium Development Goals as a goal for America and pledged to double US annual investments in foreign assistance to \$50 billion by 2012.

Second, although Obama will have to part ways with President Bush's policy on many fronts, at least some of his predecessor's initiatives in the development policy sphere will lend momentum to new efforts to strengthen US foreign assistance programmes. Under Bush, global development has assumed a higher priority in budgetary terms and on the foreign policy agenda, taking at least a rhetorical place alongside diplomacy and defence as a key dimension of US external relations. The Bush administration also initiated a long-overdue reform of the aid system aimed at enhancing the coordination between the State Department and USAID and improving transparency in the relationship between policy goals and aid allocations. Though this reform process has been criticised for its top-down quality and inadequate reach across the myriad of agencies involved in implementing aid programmes, at the very least it signalled governmental recognition of the importance of organisational reform.



Third, in strengthening US aid programmes, Obama will also benefit from recent efforts outside of government to draw attention to the importance of building a more robust aid programme. An active coalition of business and non-governmental organisations working under the umbrella of the US Global Leadership Campaign has stressed the importance of increasing funding for international affairs for economic and humanitarian reasons, while leading policy-oriented scholars (including individuals affiliated with the Modernising Foreign Assistance Network) have produced numerous proposals for reforming the aid system itself in order to ensure not only that development goals are given a higher priority in US foreign policy, but also to guarantee that foreign assistance funding will be used more efficiently and effectively in the future.

Fourth, the ability of the new administration to address the question of organisational reform in the aid system will likely be aided by an overall consistency in the outlook of senior administration officials regarding the importance of enhancing America's standing in the world by increasing the weight of non-military instruments in its foreign policy portfolio.

A central issue in many reform proposals relates to USAID's place within a reformed aid system. There is widespread acknowledgement that AID has become an increasingly disempowered agency since the end of the Cold War, as staffing losses have led to a decline in technical expertise and a dependence on private implementing agents that the agency lacks capacity to adequately oversee. USAID's autonomy has been hemmed in not only by the prerogatives of the State and Defense Departments but also by congressional micromanagement of the aid budget and the proliferation of aid programmes across other government departments and agencies. While Obama's presidential campaign underlined the need to elevate the status of the agency, it is as yet unclear how the new administration will go about doing this. Yet, the designate national security team members – Senator Hillary R. Clinton as Secretary of State, General James L. Jones, former NATO commander and Commander of the United States European Command (which included responsibility for most of Africa) as National Security Advisor, and Robert M. Gates, as Secretary of Defense – have all emphasised the need to rebalance diplomacy, development, and defence in US foreign policy. The commitment of these individuals to strengthening the civilian component of US foreign relations bodes well for re-empowering AID.

Even with these grounds for optimism, revitalising US foreign assistance programmes will not be a cakewalk for the new president – in spite of the political capital he has gained from a convincing electoral victory and a well-regarded transition. Outside of the development policy sphere, many elements of the Bush administration legacy are bleak and present daunting challenges for the incoming administration. As a result, making 'change' felt at home and abroad will not be a quick or easy task.

The economic crisis that the US is now facing imposes a clear constraint on Obama's ability to pursue an expansive global development agenda. Although US foreign assistance accounts for less than 1 % of federal spending, in the context of an unprecedented budget deficit and climbing unemployment, the ambitious increases in aid Obama has proposed are likely to be a more difficult sell to congressional appropriators. While foreign assistance has historically had advocates in Congress from both parties, newfound fiscal conservatism on both sides of the political aisle may stand in the way of significant increases in aid funding. At the same time, foreign assistance will compete for attention on what is already a very crowded policy agenda. Domestically, the administration has promised to tackle problems such as reforming the US health care system and developing a new energy policy in addition to providing an economic stimulus.



Abroad, the agenda includes arranging for the withdrawal of US military forces from Iraq, deepening engagement in Afghanistan, and dealing with the crisis in Gaza. This full agenda may not only impair the ability of the administration to invest political resources in pushing aid reforms but may also limit congressional engagement on the issue. And in order for substantive aid reforms such as the overhaul of the outdated and cumbersome Foreign Assistance Act of 1961 to take form, active congressional involvement in this process is critical.

Thus, while the new administration is willing to greatly expand America's diplomatic and development corps and to improve the bureaucratic organisation of its foreign assistance system, numerous domestic constraints will limit the prioritisation of this issue. In this context, and in the evolving global context where the US is no longer the unrivalled superpower it once was, it will be important for US partners in Europe interested in seeing a more civilian-oriented US foreign policy to maintain their own efforts to promote global development and to engage with the new administration to provide external support for strengthening foreign assistance programmes.



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