
Organizing for a New Century

We can now draw together the themes and findings in the previous chapters to answer the question on how the United States should use its concessional resources to promote its interests and values in the new century. The major purposes will be four—peacemaking, addressing transnational issues, responding to humanitarian crises, and addressing humane concerns. The other purposes of the 20th century—promoting development, supporting economic and political transitions, and furthering democracy—will not disappear. But they will play a less prominent role in US foreign aid.

These purposes are consistent with the politics of aid as they have evolved during the past decade and contain the elements of a new policy paradigm. Two of the purposes—peacemaking and addressing transnational issues—are linked primarily to US interests, and two—humanitarian relief and addressing humane concerns—are linked to US values. At present, there is no consensus in Congress or among the public on the extent of a US policy of peacemaking abroad. However, a new administration willing to articulate such a policy and persuade Congress and the American people of its importance could combine that with the three other purposes for a potentially compelling new policy paradigm for foreign aid on which to build a strong future constituency.

The remainder of this chapter will focus less on the purposes of US aid in the future and more on the organization and management of that aid.

The Organization of US Aid in the New Century

How are we to organize our foreign aid programs to address their various purposes most effectively? A basic concept in public administration

is that form should follow function. Those programs with similar purposes should be located in the same organization. When programs with very different purposes are housed together, it is often the case that the larger, more compelling purposes and programs overwhelm the less compelling ones. This has long been the reason that a number of governments separate development agencies from ministries of foreign affairs. Development agencies have as their mission the promotion of long-term economic and social change in foreign countries, which requires them to plan their activities years in advance, and work not just with governments but with a variety of private organizations and groups in the developing country. Ministries of foreign affairs tend to have much shorter time horizons as they attempt to manage bilateral relations with other countries—and, in particular, crises that erupt in those relations. Further, ministries of foreign affairs are almost always much more powerful than aid agencies, which seldom have a cabinet-level rank.¹

A second problem in organizing US foreign aid is coordination. I refer here not to the age-old problem of coordination among multiple aid agencies operating in the field, which continues to be a major challenge. The coordination problem addressed here is coordination within the US government of the various agencies operating in the same countries abroad or addressing similar transnational issues.

The US government provides foreign aid for different purposes, but those often bear some policy relationship to one another and sometimes overlap in the types of activities funded. To ensure that the aid from different agencies at a minimum is consistent and, at best, is efficient and mutually reinforcing, coordination among aid agencies and programs, preferably within an overall planning framework, is important.² It will

1. The British and German governments are the major exceptions to this rule. Their main development agencies are cabinet-level agencies. The organization of British aid has been especially interesting and changeable over the past half-century. Depending on which political party was in power, its aid was either in the Foreign Office (under a Conservative government) or independent of the Office (under a Labor government). The multiple changes in the organizational location of British aid made little difference in the operation of that aid—but that was because when aid operations were housed in the Office, they were still quite distinct in personnel and management from other parts of the Office, and because British diplomats, who had a high regard for aid officials, tended to minimize their interference in the allocation and implementation of foreign aid. For more on these issues, see Carol Lancaster, *Aid to Africa*, Chicago: University of Chicago Press, 1999.

2. I wish to make a distinction here between coordination and integration. Senior aid officials often talk about integrating their various programs to ensure maximum impact. This is a worthy but unrealistic objective. Efforts at integrating multiple aid-funded activities in the past have often resulted in time-consuming red tape and poorly focused and managed activities that have resulted in failure. It is hard enough for separate bureaucratic entities to coordinate their programs, even in the most competent of governments. Real programmatic integration is often beyond the capacity of those governments,

be even more important in the future with the increasing involvement of multiple US government agencies in providing assistance abroad. We shall return to this point momentarily.

The first issue in the organization of US aid for a new century involves the division of labor between bilateral and multilateral aid agencies. In chapter 2, we mentioned the notional division of labor between these two types of agencies: Bilateral aid for those purposes closely associated with US interests and values that may be quite distinct from those of other countries; and aid for multilateral agencies when there is an issue of common concern among member states that requires their support to resolve. Within multilateral agencies, there is a logical division of labor as well: Multilateral development banks would focus on traditional development work, and international organizations would address transnational issues. The current organization and operation of bilateral and multilateral aid agencies, with their many overlapping programs and mission creep, have blurred many of these distinctions.

However, these basic distinctions still provide a guide for the organization of US aid in the new century. Bilateral aid should still be used for those purposes closely associated with US national interests and values and to back up US leadership in the world. These purposes include peace-making, humanitarian relief, humane concerns, and—where international organizations do not exist or cannot effectively address them—transnational issues. Aid for development is best located primarily in the multilateral development banks that have the overall resources and the expertise to promote economic and social change in poor countries. (And the United States should encourage these organizations to make that purpose their main one.) Aid (i.e., technical assistance) for addressing transnational issues should be located primarily in international organizations with the capacity to call the world's attention to their issues, monitor the evolution of those issues, and provide help and encouragement to countries to address them. Unfortunately, for a number of transnational issues, international organizations either do not yet exist (as in the case of water) or are lacking in effectiveness. The problem with a number of UN organizations often starts at the top. Poor leadership, frequently chosen by one or a group of member states as their right, means that an entire organization is often unable to function effectively. Up to several years ago, weak leadership in the WHO nearly wrecked the good work WHO could do. And once an organization has been weakened by poor leadership, it can be very difficult and time consuming to renew its capacity and effectiveness. As part of its overall approach to transforming US aid and reforming the United Nations, the United States should support a process of leadership selection that is much more carefully vetted by

let alone the weak governments typical of the developing world. Many of the best intentions of aid planners in the past have foundered on the rocks of integration.

experts. International organizations are likely to take on much more importance in the future in addressing trans-national issues. They must have the capacity to do their job.

How should the United States organize its bilateral aid for the new century? Bilateral aid for purposes central to US foreign policy should be located in the agency responsible for those policies. Peacemaking and addressing transnational issues are prominent elements in US diplomacy. Promoting democracy abroad and supporting economic and political transitions are also US foreign policy goals, though they are foreseen to have less prominence in the future. Aid for these purposes should be located in the Department of State. Within the State Department's Global Affairs Bureau, there is already considerable expertise on democracy and transnational issues. Aid for peacemaking could be located in the Bureau of Political Military Affairs or in a central fund within the Office of Plans, Programs and Budgets. In practical terms, funding in USAID for transnational issues (population, health, environment and energy, democracy, and agricultural research funding) would be shifted to the Department of State. To ensure that the use of these funds and the policies governing them are well informed from a scientific point of view, the department should form a series of scientific advisory committees that would periodically review overall policies in these areas as well as the allocation and use of these funds.

Aid for humanitarian relief and aid for humane concerns should be located in a separate agency. This would ensure that decisions on these essentially value-based programs were made in consultation with foreign affairs agencies but independent of day-to-day foreign policy concerns. In practical terms, this agency would be made up of what is now the OFDA and the Office of Transition Initiatives in USAID, and the Refugee and Migration programs now located in the Department of State. Additionally, this agency would include funding in USAID (for micro-enterprises, child survival, helping street children, HIV/AIDS orphans, war victims, etc.) for the types of humane concerns described in chapter 2. And it would absorb the African Development Foundation and the InterAmerican Foundation, which do much the same type of work in their respective regions. The Peace Corps could also be folded into this new agency. But given its rather different modus operandi of recruiting and managing US volunteers in the field and the exceptionally strong constituency of ex-volunteers who would surely oppose strongly its being absorbed by another agency, it is probably best left independent.

How would the Department of State and the new aid agency manage their programs? It is often said by USAID officials (and many officials in the Department of State as well) that the State Department lacks the capacity to manage well a spending program involving planning, design, procurement, implementation and evaluation. While it does manage a sizable Refugee Program and other, smaller programs at present, absorb-

ing a substantial portion of the programming responsibilities currently under USAID's control would certainly require the department to strengthen significantly its capacity for program management.

How would the new aid agency operate? The part dealing with humanitarian crises and their aftermath would continue as it has in the past, reacting rapidly and flexibly to organize and deliver relief to the victims of disaster and help them recover. The part of the new agency dealing with humane concerns would operate quite differently from USAID but similarly to the two government foundations that it absorbed. It would identify the broad areas in which it would work, including those (such as micro-enterprise funding and child survival) mentioned above, and accept proposals from US and foreign NGOs, enterprises, and governments to fund activities in these areas. It would seek funding partners from the private sector, including private voluntary organizations, community groups, foundations, and private enterprises working abroad. It could leverage private monies for its programmatic priorities and also help connect US groups with organizations in other countries, thus engaging the broader American public directly in worthy activities beyond our borders. The new agency would not have the elaborate strategic programming process now used by USAID and other development agencies, which in any case would be inappropriate for its purposes and the probable size of its resources. Rather, it would emphasize flexibility and creativity in its efforts to address humane concerns abroad. It would not require a sizable field presence to manage its activities, although it would demand high standards of program quality and accountability.

These changes would bring the organization and management of US aid in the new century into line with the purposes of that aid. However, they would not eliminate the problem of coordination among US government agencies providing aid abroad. The engagement of domestic government agencies in activities in foreign countries is likely to be a permanent and growing feature of US aid in the new century. It is a beneficial one as well, for it responds to the realities of a globalizing world. But it carries with it two challenges of coordination: One involving aid interventions in particular countries, especially where US relationships are sensitive; and the other involving strategies for addressing particular global issues.

Interagency coordination often seems more like warfare than cooperation. That is because there are usually few incentives for agencies to truly collaborate. In fact, the incentives—particularly for aid agencies—often run in the opposite direction—to resist collaboration that would impinge on their agency's autonomy and budget. There are, however, two potential sources of incentives that can encourage effective coordination—attention and pressure from the White House, and putting the authority for decision making for funding in interagency groups. Both of these approaches could be useful in creating an environment of

coordination among US government agencies on transnational issues. On issues of aid coordination in countries of high priority, a group led by the NSC would be important to ensure that all US aid interventions are mutually supportive. This is to some extent the nature of interagency coordination for the bi-national commissions, led in this case by the vice president. This type of coordination cannot occur for all of the more than 150 countries to which the United States is accredited. But for the 25 or so high-priority countries, it will be unavoidable.

Coordination among agencies on strategies to address key transnational issues could be led by the Department of State or another appropriate cabinet-level agency. These interagency coordination efforts could be made effective if the Department of State and other participating agencies brought some resources to the table that they were empowered to allocate together. The resources themselves would create an incentive for coordination. There is a model for this approach in the old food aid committee chaired by the Department of Agriculture, with participation by the Department of State, USAID, OMB, and other agencies. The power to allocate food aid (and for any agency to veto a particular program) gave that committee real clout and its key members a serious reason not just to coordinate but to negotiate and work together.

Getting From Here to There

Assuming a new administration wanted to implement the proposals described above, how would it go about doing so? What it would *not* do is create an interagency working group, ask for ideas, try to get consensus, draft and clear legislation based on that consensus, and seek congressional support for the legislation. Past experience proves that such an approach takes forever and almost always ends up supporting the status quo.

What a new administration interested in transforming US foreign aid should do is create a small, expert working group, preferably reporting to the president (or even to the president-elect), to develop a detailed blueprint of the policy and organizational changes it plans to seek in US foreign aid. (Recommendations involving significant organizational and legislative changes would likely require a president to garner congressional support for those changes.) The blueprint should then be discussed with a limited number of senior career officials of the major agencies affected by the changes. Outside experts seldom have the day-to-day experience and detailed knowledge that career officials have of how policies and programs work; those outsiders must be willing to draw on inside knowledge and experience in an open-minded and judicious fashion if their organizational changes are to work and have legitimacy within the bureaucracy.

Consultations and negotiations with key members of Congress on the proposed changes are also essential. Those key members include the chairs and ranking members of the minority party of the Senate Foreign Relations Committee and the House International Affairs Committee and the chairs and ranking members of the foreign operations subcommittees of the appropriations committees of both the House and Senate. There may be other key members with an interest in foreign aid or who are part of the leadership of either house who should be part of a negotiation on a redirection and reorganization of US foreign aid. If a package of changes acceptable to these members and to the administration can be put together, much of the political task of bringing about a transformation of US aid will have been accomplished.

A further group that would need to be consulted on significant change in US foreign aid are the organizations that lobby for that aid and often implement it abroad—key country-focused groups and NGOs active in relief and development. Their political support is important, and many of them have detailed knowledge of how US aid actually works (and sometimes does not work) in the field. Their contribution could thus strengthen the proposed changes.

The process described here should ideally be implemented in the first 6 months of a new administration and before political appointments are made to the agencies most effected by the changes. If a process of significant organizational change drags on for many months, resistance to that change will grow and ultimately undermine its extent or usefulness. If 'tis to be done, 'tis to be done quickly.

The changes proposed in US foreign aid here are substantial. They would require considerable effort on the part of any administration to implement. But in transforming US foreign aid, they would bring it into the 21st century, clarifying its purposes and fortifying its relevance to US interests and values in a new world. The alternative is aid programs with unclear goals, overlapping mandates, declining relevance, and inappropriate programmatic and organizational arrangements—possibly eventually leading to a collapse in political support for them. This would be tragic, given the potential contribution of foreign aid to US interests and values, and the well-being of many abroad.