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State Department Strategy Review Flawed from Start

Helle C. Dale and James M. Roberts

On October 14, the Obama Administration's first Quadrennial Diplomacy and Development Review (QDDR) began with an event organized by the U.S. Global Leadership Coalition, a new non-governmental organization established by former Secretaries of State Colin Powell, Madeleine Albright, and others.

If the discussions at the kick-off event are an indicator, the final QDDR product will repeat past mistakes by maintaining a focus on the traditional official government instruments of foreign aid and will fail to achieve the true integration of all the tools of U.S. foreign and security policy.

Conspicuously Absent. The QDDR is intentionally patterned after the Department of Defense (DoD) Quadrennial Defense Reviews that are undertaken at the beginning of each new presidential term. The goal of the QDDR is to provide robust justification to back up President Barack Obama's pledge "to double" the U.S. development assistance budget by bringing a new level of "granularity" to USAID's budgets, beginning with the presentation of the fiscal year (FY) 2011 budget to Congress. The DoD budget presentations have become the gold standard among congressional Appropriations Committee Members and staffers. However, if the idea is to improve clarity of thought and budget presentation, the QDDR exercise is not likely to achieve its purpose.¹

The list of participants and the agenda for the QDDR kick-off by the Obama Administration sent a number of signals: On the one hand, there was a standing-room-only crowd of USAID's traditional

non-governmental organizations and contractors. On the other, there was a notable absence of any officials from the Pentagon, the Millennium Challenge Corporation (MCC), or the President's Emergency Plan for AIDS Relief—the later two of which were launched by the Bush Administration and have received high marks for their innovative and measurable results-oriented approaches.

Perhaps because QDDR organizers boasted of a "New Campaign Launched to Elevate Non-Military Tools of Development and Diplomacy"² no DoD officials were invited. Their participation would have been highly relevant nonetheless. DoD efforts in Iraq and Afghanistan incorporate development assistance into the larger order of battle for hearts and minds and have been gaining momentum since they were significant factors in General David Petraeus's successful Iraq surge strategy. Civilian official development assistance (ODA) agencies see that tilt toward the Pentagon as a threat. Yet if "smart power" is meant to represent the integration of all the policy instruments in the government's toolbox—as the second goal of the QDDR itself states—then the U.S. military must be part of the equation.

The Military's Approach. At the QDDR event, Jacob Lew (a Deputy Secretary of State and the chair

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of the QDDR) stated that the Obama Administration intends “to give civilians the tools to do what they do best and let the military get back to doing what it does best.”

And yet the military’s approach has been working better than the old USAID model. Its success is due in part to the fact that DoD sets more achievable short-term goals and can provide its own security for its development contractors, which is necessary because of the frequent violence in today’s failed states. These short-term goals have helped the U.S. to achieve larger foreign policy objectives. Too often, USAID’s development professionals want to set broader and more generalized goals that can be achieved only over a five-to-10-year timeframe (or longer) and have little direct connection to current foreign policy challenges.

Equally striking was the absence of awareness of the need to reform the public diplomacy and strategic communication tools of the U.S. government. Yet both President Obama and Secretary of State Hillary Clinton have spoken about the key role that these aspects of U.S. foreign policy would have in the current Administration. Despite the President’s own visibility and his Nobel Peace Prize, he has failed to indicate which direction this reform and change will take, if any. Meanwhile, Undersecretary of State for Public Diplomacy Judith McHale is to chair a subcommittee under the QDDR—an assignment that effectively denies her a strategy-setting role and assigning her a bit-player part.

Others Who Should Have Been Invited. Notably absent from this first step in the QDDR review process were dissenting voices that could call into question the prevailing conventional ODA wisdom. Astute observers in the developing world are waking up to the destructiveness of ODA. Someone like Zambian author and former World Bank official Dambisa Moyo ought to have been invited to participate in the discussion. In her recent book *Dead Aid*,³ Moyo concludes that foreign aid from developed countries to Africa has encouraged a culture of corruption, discouraged private foreign and domestic investment, and caused poverty rates to rise. That is precisely why the MCC targets corruption as a top priority.

Also missing at the QDDR launch were any U.S. government trade officials who could have made the case that private trade with, and investment in, developing countries has far greater impact than ODA. This goes both for economic growth within developing countries and creation of sustainable U.S. private-sector jobs through expanded export opportunities. U.S. development policy should focus primarily on expanding U.S. private trade and investment in developing countries.

Finally, the most striking absence of all was a new USAID administrator. Given the importance attached by the Administration to the QDDR, this is a major omission. The failure to date of the Obama Administration to name a new head of USAID has given rise to fears among USAID supporters that

1. U.S. Global Leadership Coalition, “Putting Smart Power to Work Event,” October 14, 2009, at <http://www.usglc.org> (October 15, 2009). According to the USGLC, the QDDR will focus on five areas:
 1. Building a Global Architecture of Cooperation: Address Global Challenges Through Partnerships and Strategic Engagement
 2. Leading and Supporting Whole of Government Solutions: Lead the Formulation of Foreign Policy Strategy and Approaches That Integrate All Tools of American Power
 3. Investing in the Building Blocks of Stronger Societies: Implement 21st-Century Approaches That Achieve Measurable, Sustainable Progress in Security and Well-Being
 4. Preventing and Responding to Crises and Conflicts: Build and Deploy an Effective Civilian Operational Capacity to Address Crises, Conflicts, Ungoverned Spaces, and Countries in Transition
 5. Building Operational and Resource Platforms for Success: Develop the People, Processes, and Systems for Flexible, Responsive Operations and Efficient Use of Resources
2. Richard Parker, “Momentum Builds for Putting Smart Power to Work,” U.S. Global Leadership Coalition, October 14, 2009.
3. Dambisa Moyo, *Dead Aid: Why Aid Is Not Working and How There Is Another Way for Africa* (New York: Farrar, Straus and Giroux, 2009), p. xix.

Secretary Clinton has set her sights on completing efforts to integrate USAID into the State Department that began in the mid-1990s and gained momentum under Secretary Condoleezza Rice. If these efforts are completed, it would be by far the best development to come out of the QDDR.

What Should the QDDR Do? The QDDR should focus on the strategic relationship between U.S. development assistance, public diplomacy/strategic communication and traditional diplomacy, and the U.S. national security apparatus to achieve real-time foreign policy objectives. Indeed, even today the heaviest ODA expenditures by the U.S. government are in countries where the U.S. is fighting against radical Islam.

It should also acknowledge the importance of performance- and good-governance-based assistance programs, such as the MCC, whose funding has been cut by the Obama Administration, as well as the critical importance of free trade agreements.

The Administration should use the results of the QDDR to convince Congress to restore the MCC's FY 2009 funding and increase the FY 2010 request—even if that means subtracting the differ-

ence from other USAID programs. Funding for traditional ODA programs administered by USAID should gradually be reduced and redirected to MCC programs. Remaining USAID programs should be redesigned according to more focused U.S. foreign policy and national security priorities.

The Administration should also finish the work begun in the previous Administration to consolidate USAID into the State Department and make it, once again, an instrument of U.S. national security policy.

Who Is on the Invite List? Much can be interpreted of the Administration's intentions for USAID from who was and was not invited to the kick-off event for the QDDR. Hopefully, the QDDR can be saved from past mistakes and set U.S. foreign aid on the right path.

—*Helle C. Dale is Senior Fellow for Public Diplomacy in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, and James M. Roberts is Research Fellow for Economic Freedom and Growth in the Center for International Trade and Economics at The Heritage Foundation.*