

# WebMemo



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## Security Assistance Act: Responsibly Tying Foreign Policy Budgets to Security Demands

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The Security Assistance Act of 2011 (Foreign Relations Authorization Act, Fiscal Year 2012, H.R. 2583), which authorizes appropriations for the State Department for fiscal year (FY) 2012, represents a strong, back-to-basics answer to the Obama Administration's overly ambitious attempts at redefining U.S. foreign relations. The bill's aim is to tie American foreign affairs budgets to the country's national security demands.

**State of the State (Department).** Overhaul of the State Department and USAID was one of the many projects initiated by the Obama Administration in its first year of office under the banner of "smart power." With great fanfare, Secretary of State Hillary Clinton launched a Quadrennial Development and Diplomacy Review (QDDR)—modeled on the Defense Department's Quadrennial Defense Review—which promised a new era in foreign relations. In the President's 2010 budget, State and USAID were the clear winners (with defense spending a clear loser). The Obama–Clinton promise was to nearly double State Department funding over five years to \$69.3 billion in 2014.

The QDDR promised to change "the ways we do business" but relied heavily on good old-fashioned government expansion: more federal employees (5,500) to restore the 38 percent cut in personnel for USAID in the past 20 years, more bureaucracy (three new bureaus at the State Department and two new offices at USAID), and more taxpayer funds for a host of existing and new development assistance programs. The QDDR urged the rebuild-

ing and expansion of USAID and State as separate departments; throughout the document it was frequently made clear that USAID would take the "lead on Presidential initiatives" and have its inter-agency voice "elevated," making USAID State's co-equal.<sup>1</sup>

**The Security Assistance Act.** The Security Assistance Act of 2011 undercuts the most ambitious aspect of the QDDR as well as the President's Policy Directive on Global Development: the concept of making USAID the world's premier foreign aid agency, a misguided ambition to start with given the poor record of bilateral foreign assistance to foster long-term economic growth.

The bill comes down far below the President's funding request for FY 2012 in certain areas, though the overall numbers are more or less the same as the budget for FY 2011 of \$48.3 billion. It reduces USAID operating expenses by 13 percent (to \$222 million), in part by de-funding a separate USAID budget operation. This is a reasonable decision, since USAID should be reintegrated into State, not rebuilt as a separate agency. (Interestingly, the bill also fails to request and fund a QDDR performed every four years.)

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Bilateral economic assistance (\$21.21 billion) is 11 percent less than the President's request, and the Millennium Challenge Corporation (MCC) is 20 percent less (\$900 billion). The bill also emphasizes strict accountability measures for MCC recipients—a feature critical to the MCC's success as a program—and it restates the U.S. commitment, in the words of committee Chairman Ileana Ros-Lehtinen, “to move countries from perpetual dependence on foreign aid to sustained economic growth that will lift their populations out of poverty.”

The bill also comes in far below the President's request for diplomatic and consular programs (\$8.79 billion) by 26 percent. This flies in the face of the goal to increase personnel levels, as proposed in the QDDR. Public diplomacy in the form of educational and cultural exchange programs as well as U.S. international broadcasting would be at slightly lower levels than last year. Noteworthy was the incorporation of the Middle East Broadcasting Network, along with Radio Free Asia, which effectively takes it off the table for the reorganization planned by the Broadcasting Board of Governors. One of the programs to exceed the President's funding request is State's Bureau of Democracy, Human Rights and Labor (\$21.5 million), which, among other things, handles the funding for grants for Internet freedom activities and technology.

Regarding contributions to international institutions, a dependence on which is a major feature of the Obama foreign policy doctrine, most U.N. reform measures were not included in the authorization legislation and will, instead, be introduced in Ros-Lehtinen's U.N. reform legislation later this session. The bill does, however, reinstate the 25 percent cap on U.S. contributions to peacekeeping and funds U.N. peacekeeping at \$1.735 billion, which results in a reduction of about \$149 million below the FY 2011 level. It also maintains funding for international organizations at the FY 2011 continuing resolution level of \$1.582 billion, which is about \$100 million less than in FY 2010.

The bill adopts a number of reasonable provisions regarding U.S. Middle East policy, specifically putting conditions on U.S. aid to Egypt, Lebanon, Yemen, and the Palestinian Authority to prevent any U.S. funding going into the hands of governments controlled by terrorist organizations. However, the provision to move the U.S. embassy to Jerusalem before a peace agreement has been reached has been opposed by all past Administrations and would accomplish little while hurting the U.S. role as a neutral mediator in peace negotiations. Other provisions include reaffirmation of opposition to lifting the EU arms embargo on China and accountability for instances of sexual assault on U.S. Peace Corps volunteers.

**Recommendations.** As relates to the State Department and USAID budgets, the House of Representatives should:

- Continue its focus on national security and interests as the foundation of U.S. foreign policy while remaining committed to U.S. international engagement;
- Use the appropriation and authorization process to reverse the rapid growth in budgets in international organizations over the past decade and press for fundamental reforms, particularly improved transparency and accountability;
- Demand strict accountability for U.S. foreign bilateral and development aid; and
- Work to reintegrate USAID into the State Department as a tool of U.S. foreign policy.

**Back to Basics.** At a time of budgetary constraints, it only makes sense to refocus U.S. foreign policy and foreign aid on what is identifiably in the U.S. national interest. When Congress returns from recess, “back to basics” should be the mantra.

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1. U.S. Department of State, *Leading Through Civilian Power: The First Quadrennial Diplomacy and Development Review*, 2010, at <http://www.state.gov/documents/organization/153108.pdf> (August 9, 2011).