

DEBATES INTO THE TWENTY-FIRST CENTURY

A rational government implies acceptance of institutional pluralism at a minimum.

Jennifer M. Brinkerhoff, *Partnership for International Development*

Experienced aid hands know that development concepts are generated at universities, accepted as profound by policy types in Washington, and declared as gospel.

Michael Maren, *The Road to Hell*

With Mr. Bush pressing other countries to knock down their trade barriers and expand open markets, his approval of an 80 percent increase in farm subsidies—with all the advantages that confers on American grain exports—is viewed as a move in the opposite direction.

Elizabeth Becker, "Raising Farm Subsidies,
US Widens International Rift"

Contemporary Debates

This chapter looks at five contemporary issues that define the debates about foreign aid policy in the wake of September 11:

- Unilateralism and multilateralism divisions
- Human security, democracy and governance promotion
- Trade and investment approaches
- The Millennium Challenge Account as a new model
- The new triangulation between foreign aid, diplomacy, and security.

Unilateralism vs. Multilateralism

Despite the end of the Cold War in 1991, there were more than twenty-seven conflicts in twenty-six locations throughout the world during the

1980s and 1990s. All but two were civil wars. Policymakers dubbed several as terrorist incursions. While isolationist impulses remained, the United States after 1991 tended to swing back and forth between multilateralism and an isolationist-like interventionism referred to as unilateralism. To quote Mark Hertsgaard: "American elites sometimes talk of our nation's isolationist tendencies, but the correct adjective is unilateralist. The United States has hardly shunned overseas involvement over the years; we simply insist on setting our own terms."¹

The story of foreign aid post-September 11 starts with Somalia, its links to Osama bin Laden, and the evolving unilateral role the United States first carved out at that time and then temporarily abandoned. After the collapse of the Somali government in 1991, the United States and the UN intervened with humanitarian programs. In addition to a temporary military force, the international intervention in Somalia (1993-1995) drew in hundreds of international NGOs to develop grant programs to fund thousands of local NGOs. The intervention began as humanitarian assistance but ended in confrontation with Somalia warlords.

"Blowback" was a CIA term "for how foreign policy can come back to haunt a country years after in unforeseen ways."² Blowback defined the intervention, and later the abandonment of Somalis, and the impact that the Somalia debacle would have on foreign policy for the next decade, leading to the capture of Somalia by Islamic fundamentalists and a US-sponsored Ethiopian intervention, and finally a dominant role for modern day pirates. The term "blowback," characterized the "Blackhawk Down" tragedy in Somalia, as well as US foreign aid policy. Nowhere was this pattern more clearly defined than in the months after September 11, 2001.

The Somalia incident was an exercise of control and overreach by the United States—which did not have sufficient force available—into a part of the world policymakers did not understand.³ Somalia, like Iraq, was an international intervention quickly gone awry. According to a fierce critic of policy in Somalia:

The violent events that occurred [in Somalia] in 1993 were not an aberration; they were, in fact, foreign aid carried out to its logical extreme. Foreign aid run amok. The desire to help had—as it almost always does—become the desire to control. In a routine foreign aid situation there is [a] local government, even a corrupt local government, to check the tendency of aid organizations toward control. There is a point at which the interests of the aid organizations clash with the interests of the government.⁴

By 1993, the Americans had become isolated from the Somalis that they hoped to save. Shortly after the Blackhawk Down massacre of nineteen of its soldiers, the United States announced it would withdraw from Somalia,

a development seen as a victory for Osama bin Laden and al-Qaeda. The UN withdrew from Somalia on March 3, 1995. What followed was ten years of near anarchy, with modest humanitarian assistance.

After ten years of chaos, warlords and an orphan interim government (virtually unsupported by the United States and international community) were overthrown by the Islamic Court Union (ICU) whose leader, Sheikh Sharif Sheikh Ahmed, declared on June 2, 2006, that he would bring the Islamic revolution to Somalia. Three days later, the ICU wrested control of Mogadishu and about one-half the country. In December 2006, the United States sponsored an Ethiopian intervention to restore the provisional government.

Following Somalia, where bin Laden had sponsored one of the anti-American warlords in 1992, the al-Qaeda leader directed a series of other terrorist events, beginning with the first bombing of the World Trade Center on February 26, 1993. Bin Laden directed the 1998 American embassy bombings in Dar es Salaam, Tanzania, and Nairobi, Kenya, and sponsored, directly or indirectly, the USS Cole bombing, the Bali nightclub bombings in Indonesia, the Madrid and London train bombings, as well as bombings in the Jordanian capital of Amman and in Egypt's Sinai peninsula. Al-Qaeda was also said to be involved in the Lebanon conflict and in the confrontation between Israel and Hamas. Most importantly, bin Laden attacked the United States on September 11, 2001.

After September 11, the US reaction increasingly has been to strike back when its interests are threatened, refusing to accept international criticism, and in effect thumbing its nose at the UN.⁵ To Robert Kaplan, "A great philosophical schism has opened within the West, and instead of mutual indifference, mutual antagonism threatens to debilitate both sides of the trans-Atlantic community."⁶ The problem became more than a polemic, according to David Sanger, "The prevailing view focuses not on the dangers, but on the limited options for doing anything about them."⁷

In reality, according to some observers, the Bush administration intended to promote unilateralism—influenced by neoconservatives who dominated Bush foreign policy (Bush himself, Vice President Dick Cheney, Secretary Rumsfeld, and Deputy Secretary Paul Wolfowitz among others)—independent of the terrorist attacks. The decision was not cluttered or haphazard; it was a deliberate choice. According to Rick Barton of the Clinton administration, "There was a clear choice [within the Bush administration]—unilateralism, occupation and change in the Middle East."⁸ Iraq was the focal point. Observers and critics of the Bush administration predicted a deepening disorder throughout the world.⁹ As William D. Hartung put it, "George W. Bush has adopted an aggressive, unilateralist foreign policy that reflects unbridled imperial attitudes not seen since the peak period of direct interventionism in Latin America in the early decades of

the twentieth century."¹⁰ Unilateralism unfolded in foreign and security policy and foreign assistance in the Middle East and Horn of Africa.

Bush's neoconservative unilateralism included "an ambitious reordering of the world through preemptive and, if necessary, unilateral action to reduce suffering and bring peace."¹¹ Since the al-Qaeda attacks, policy-makers assumed only America could solve the political and security problems of the world, and increasingly the term unilateralism came to be widely debated. Unilateralism had become the other side of the coin to historical policies of isolationism.

This does not mean there was consensus within the Bush administration. There were "deep ideological schisms that had rent Bush's national security team throughout the first term."¹² State, headed by Secretary Powell, tended to be more multilateral in their worldview and cautious about military intervention. Unilateral pressures intensified, however.

Wherever it occurred, intervention led to increased foreign aid and intervention, a pattern illustrated by Iraq and NATO involvement in Afghanistan. Some unilateralists argue, in the context of the likes of Osama bin Laden, that there must be a new imperialism that will bring parts of the world again under Western control in the war on terrorism.¹³ For Niall Ferguson, the issue raised by Somalia, Afghanistan, Iraq, and other crises is whether after 2001 there was a need to reorder the world in a way that replicates some elements of empire.¹⁴

For the United States, the choice came down to either a unilateral approach to international order or a return to collective leadership. As Ferguson, a radical unilateralist, has put it, "The hypothesis . . . is a step in the direction of political globalization, with the United States shifting from informal to formal empire much as late Victorian Britain once did." The United States should accept this global burden but fears that the American Empire "lacks the drive to export its capital, its people and its culture to those backward regions which need them most urgently and which, if they are neglected, will breed the greatest threats to its [and the world's] security."¹⁵ Critics of unilateralism and aggressive multilateralism suggest that these conditionalities smacked of old-fashioned colonialism, a concept not necessarily rejected by the "neocons."

In the bridge between foreign, security, and foreign aid policy, we see a disproportionate power distribution between LDCs and Western countries. A system of aid chains, linkages of power, and influence have developed. They function as top-down mechanisms of control.¹⁶

Pulling Back from Unilateralism

There was political opposition in Defense, especially the military, and in State to the Iraq invasion since 2001; however, the Bush Administration

made it clear that opponents of the invasion would be replaced with Republican Party loyalists. Loyalty was the key.

The Pentagon claimed politics were not a factor in replacing professional USAID and State officials with administration loyalists. The mainstream press remained skeptical. After troops found no weapons of mass destruction and the Pentagon admitted to having no plan for reconstruction, Secretary Powell concluded that the war had "gone sour."¹⁷

Despite the threat of military intervention, foreign aid influences remained informal or soft, exercised through economic, cultural, and in some cases, military means rather than through formal institutional (or colonial) structures. Foreign aid policy was central. Powell protected USAID at times, filling noncareer slots in the agency with career officers, most of whom held traditionalist views of foreign aid.

During the Bush administration, prior to when the Republican Party lost control of both the House and the Senate in November 2006, "the United States [exercised] power unimpeded by partnerships, alliances and rules—and without apology for its imperial [superpower] status."¹⁸ Unilateralism became increasingly rigid, and part of what one writer called "a neo-imperial agenda." In both foreign aid and security terms, this neo-imperialism in allying the United States "with repressive regimes, overriding human rights conditionalities on U.S. aid, violating the conventions of international law, and standing behind a policy of 'regime changes' and first strikes [were] all acceptable means in Bush's endless war against evil."¹⁹

Within a few months of the Iraq invasion, the presumption of a long-term occupation, the basis of action until that time, evaporated. The Bush administration moved the timetable forward on the electoral and constitutional processes and on installation of an Iraqi government; however, despite this, and the commitment to obscene amounts of foreign aid, the United States became embroiled in quagmire as Americans became disenchanted with military casualties and financial burdens in what had become a three-sided civil war. The 2006 surge may have ameliorated the situation but has not addressed the fundamental political competition within in Iraq.

Within the Bush administration, muffled critics of Iraq policy, such as Colin Powell, believed that consequences of Iraq might bode ill for foreign policy and aid. Powell said, when speaking of Iraq, that the United States would end up owning this place and would have to assume the aspirations, hopes, and all the troubles and fears of the Iraqi.

Criticism of the war became partisan by 2004 once Democrats sent mixed signals. Democratic presidential candidate John Kerry (in voting against the first Gulf War) had criticized President Bush for assembling a Persian Gulf War coalition that amounted to a so-called "Pax Americana,"

though the 1991 Gulf War was clearly a multilateral intervention. Kerry then went on to vote for the Iraq war while criticizing the Bush administration for bungling it and failing to enlist the UN and key European allies in the conflict.²⁰

Multilateralism versus unilateralism should have been debated but was not. Much of the international community saw Afghanistan differently from Iraq because “in contrast to Afghanistan, where reconstruction has been carried out under aegis of the UN, in Iraq it has been led almost exclusively by Americans—and not Americans . . . with long records of working with the international community in alien environments.”²¹ The Afghan intervention, from its beginning, had a strong international coalition, albeit led by the United States.

Iraq had been a US operation from the beginning. There was, according to Powell, a Bush White House machismo “that targeted any criticism of the administration or suggested weakness.”²² From a European perspective, as then-French foreign minister Dominique de Villepin put it, “The struggle was not so much about Iraq as it was about ‘two visions of the world.’”²³ According to Robert Kaiser, “The [Iraq] war has damaged the good name of the United States in every corner of the globe, has cost unanticipated scores of billions [all of it borrowed] and now threatens long-term damage to our Army and National Guard.”²⁴

After the invasion, critiques of unilateralism began to appear. At issue was how to limit casualties, or the perception of them, and to “‘accelerate’ the handover of sovereignty to Iraq by the end of June [2004]—an adequate four months before the U.S. elections.”²⁵ There was reluctance in “even defining the situation . . . perhaps the most telling indicator of a collective cognitive dissidence on part of the U.S. Army to recognize a war of rebellion, a people’s war, even when they were fighting it.”²⁶ The declining security situation neither allowed for foreign aid support at a level that would stabilize the country nor anticipated withdrawal.

Unilateralism already has a “retro” feel, as the United States moves haltingly toward a post-Iraq world. Instead of unilateralism, the world will require more “‘internationalism’ than before, and the novel experience of cooperating widely with associates who are no longer satellites or dependents—as well as with the enemy of the past forty years.”²⁷ In 2007, despite the unfinished business in Iraq, the leaders of both Germany and France had reached out to the United States. In a post-September 11 world:

The United States has a strategic problem: its war on terror, unlike its long fight against Communism, is not universally seen as the pivotal global struggle of the age. Rather, it is often

portrayed abroad as a distraction from more critical issues—as an American attempt to impose a bellicose culture, driven by the cultivation of fear, on a world still taken with the notion that the cold war’s end and technology’s advance have opened unprecedented possibilities for dialogue and peace.²⁸

After the United States bogged down in Iraq, multilateralism made a comeback. As Glenn Kesler noted in late 2004, “Secretary of State Colin L. Powell [departed] on a weeklong trip to consult with an alphabet soup of European multilateral institutions and confabs, carrying a message that the second-term Bush administration [was] ready to work closely on forging what officials have dubbed ‘effective multilateralism.’”²⁹ Foreign aid accompanied this shift as alternatives to unilateral intervention were proposed.³⁰ Jane Perlez has put it this way:

On the theory that ignorance and poor education are among the reasons that young people are drawn to radical Islam, the Agency for International Development has been revamping its programs in Muslim countries in the last two years to spend more on schools and less on other things, including family planning.³¹

As late as mid-2005, critics argued Iraq was still not ready for foreign aid.³² Eventually, policymakers established the Office of Reconstruction and Humanitarian Assistance under Defense. In 2007, an “Iraq Czar” was established in the White House to spearhead policy. Military leadership in Iraq and in the Pentagon was replaced. State created an Office of Coordinator for Reconstruction and Stabilization. Nation-building came back on the agenda, but in critical countries it would either be exclusively managed by Defense or through triangulation between Defense, State, and USAID. The problem in Defense, according to the director of national security, was senior officials had independent fiefdoms and liked big concepts, but “[t]hey don’t do implementation.”³³ How to withdraw from Iraq without victory remains at the top of the agenda.

In 2007 and 2008, the Bush administration pursued multilateral approaches to foreign policy and foreign aid. When North Korea, a rough nation with nuclear weapons, tested them over the Pacific Ocean in an attempt to intimidate the United States, South Korea, and Japan, the United States insisted that the conflict be resolved through multiparty talks in the region with foreign aid—in the form of food and energy assistance—as incentives. Likewise, when Iran defied the UN and began producing weapons-grade plutonium, allegedly for use in its nuclear power facilities,

the United States supported the UN and European diplomatic efforts rather than using force. Critics suggested, however, that US policies (or a neglect of multilateral cooperation with its European allies) have pushed Russia away from Europe and toward authoritarianism.

Human Security and Conflict Mediation

Jan Egeland of the UN argued in 2004 that there was global-wide declining support for humanitarian foreign aid. His solution to the dilemma was to ask countries to increase taxes to fund more aid, not a popular option. Neglect of genocide in Rwanda and Darfur are only the latest examples of this. Increasingly, debates about the nature of foreign aid and security assistance likely delayed a solution for human security. These were the views of a UN panel, chaired by Ernesto Zedillo, the former president of Mexico, including Robert E. Rubin, the former treasury secretary. Egeland went on, "Humanitarian aid workers who are impartial and needed to save thousands are often caught in the political crossfire. Terrorists and others are targeting us."³⁴

After 1985, humanitarian aid became important, as ethnic conflict and economic pressures of structural adjustment led to state collapse in parts of Asia, the Middle East, Central America, and importantly, sub-Saharan Africa. By 1996 US emergency aid was increasing and took up 10 percent of the total aid budget. Back in 1991, it had been only 1.5 percent of the whole.³⁵ Some donor countries, including the United States, put human rights conditionalities into aid programs and focused, at least in rhetorical terms, on democracy and governance. Over time, humanitarian concerns led donors to support human rights, rule of law and democracy, and governance programs.

David Reiff explained the human rights emphasis in 1996: "From the civil wars in Somalia and Bosnia to the current crisis in Zaire, it has been the international aid agencies who have most strongly and consistently called for military intervention in humanitarian disasters."³⁶ Conflict resolution and human security issues became a part of the discourse on aid. In March 2002, President Bush advocated a three-year \$5 billion increase in foreign assistance to poor countries that support human rights, adhere to strong systems of law, and were moving toward open markets.³⁷

At the same time, those areas most in need are sometimes excluded from traditional foreign aid. In 2003, in the province of Aceh, Indonesia, where the UN estimated that 100,000 people had been displaced as a result of fighting, there were no foreign aid workers because Indonesia refused to give them permits.³⁸ Likewise, when a cyclone devastated Burma in 2008, its ruling military junta refused to allow aid workers into

the country to deliver food and begin reconstruction. Months would pass before aid workers gained access. According to Mary B. Anderson, in an important book about foreign aid and conflict mediation, "[w]hen international assistance is given in the context of violent conflict, it becomes a part of that context and thus also of the conflict."³⁹

USAID established the Office of Transition Initiatives (OTI) in the early 1990s to address conflict resolution, democratization, and the political change processes within in its institutional development framework. Prior to this, USAID negotiated political development, governance, and political elite-directed reforms. OTI focused on fragile states and sought a rapid on-the-ground entry in troubled countries, especially during political transitions. According to Rick Barton, OTI's first director, the Office was to pull failed and failing states back from the brink of collapse. The program represents, "the current best hope for development in many states. There is much denial in foreign aid/foreign policy circles regarding how we got into a situation like this [reconstructing states] but it is there and must be addressed."⁴⁰

OTI has special crisis waiver authority to fund and execute its operations, including political interventions involving ethnic conflict in remote areas.⁴¹ OTI works directly with indigenous, nonurban NGOs. Robert Rotberg calls OTI the "special forces of development assistance . . . , gave it an overall positive review and concluded that the organization has proved itself to be "nimble, imaginative and innovative."⁴²

The program was not without its weaknesses. OTI suffered from tight budgets and a limited staff. OTI sustainability is a problem. Operationally, OTI functions in a country for three years or less. Contractors, grantees, and their staffs have not always been comfortable with OTI, especially with its short lead time, indeterminate goals, and short life span involvement.

Later, USAID created a separate Office of Conflict Resolution (OCR). According to Andrew S. Natsios, then administrator of USAID, "The nation-building challenge that follows . . . [the donor] switch to peacekeeping is daunting."⁴³ OCR also targeted fragile and collapsed states, because in the transition process, lawlessness, spotty oversight, and ethnic conflict have all blocked past rebuilding efforts.⁴⁴ Paul Lewis suggests, "The scope, cost and complexity of peacekeeping operations were [and are] likely to grow as more countries find themselves in the grip of violence, famine and civil war."⁴⁵

The Governance Problem

Conflict resolution is an essential first step to democratic governance. Recognizing this, USAID established the Center for Democracy and Governance (CDG) (later an office) in 1994 to address the issue. CDG became

the third component of the USAID triumvirate—reporting to the Bureau of Democracy, Conflict and Humanitarian Assistance—designed to support democratic governance. An early weakness in the approach was that historically it ignored political processes and legitimate political concerns of recipient country political leaders. USAID officials hoped the Bureau would correct that deficiency.

Concern about political development was not new. Throughout the Cold War, “aid allocations—by bilateral and multilateral donors—were dominated by politics—both the international politics of the Cold War and the internal politics of aid agencies.”⁴⁶ According to an USAID adviser in 1987, “Together, the three measures under the category of political issues are designed with the assumption that an assessment of political climate and political will to carry out reforms is essential to ultimate success and survival of any major policy reforms.”⁴⁷ Commitment to support political reform and democratic governance was new.

By the late 1980s, the United States began to focus on basic human rights, democracy and governance. Ironically, this occurred when structural adjustment, public sector reform, and privatization were the order of the day, and LDC leaders might long for the day, in the height of the Cold War, when they had a political impact on donor policy. As a senior USAID official put it in 1991, “Successfully implemented, [public sector reforms] will have a bigger impact on democratization than anything else. In fact this will replace most of our ‘democratization’ efforts. No bourgeoisie, no democracy.”⁴⁸

Historically, USAID’s record in democracy and governance is spotty, especially during the Cold War. A 1987 USAID survey of Zaire ignored the governance environment and the United States officially classified Zaire as a state transitioning to democracy down to the end of the Mobutu regime. There was resistance to policies purporting to expand democracy. The Zaire experience was exaggerated, but not uncommon. In Egypt, critics in 2004 complained that, “contrary to Bush’s pronouncements, U.S. aid—nearly \$2 billion per year over the past two decades—has propped up an unpopular government, its army and police, and helped suppress democracy.”⁴⁹ And according to Steven Holmes, “The hard reality is that in the last few years, American financial aid to the fledgling democracies of Central America—and to much of the rest of the world—has fallen, as if off a cliff.”⁵⁰

Donors pushed for democratic processes while they required state systems to contract. Democratic governance was one of the set of conditionalities required by the international community as part of the policy reform process. According to USAID, “Democratization is an essential part of sustainable development because it facilitates the protection of

human rights, informed participation, and public sector accountability.”⁵¹ In 1990, USAID encouraged outside input on democracy and governance issues. According to one USAID official, “I thought you [the author] would be interested from an academic perspective at least. Understand the administrator has initiated outside groups to get into the discussion and Ok’ed our sharing these papers.”⁵² This was different than earlier policies on political change completed in house and marked secret or confidential.

Military and security issues became part of the overall process having an impact on governance, as well as the movement toward economic and social development. Quantitative performance indicators for democracy and governance, a prerequisite for USAID’s evaluation process, remain a problem.

Not all foreign aid recipients supported democratization. “Egyptian officials,” as Glenn Frankel pointed out in 2004, “who have always wielded a veto over which private organizations are allowed to receive U.S. aid, are unhappy about an American proposal to earmark \$20 million for democratization.”⁵³

Essential to aid success is working out “a mutually acceptable arrangement for joint control of the activity between donor and recipient, within the context of the two sides political processes.”⁵⁴ If joint control was a concern, then in the future “the truly radical thing for the United States to do is to invest its resources and its credibility not in individual leaders but in the fledgling attempts . . . to build institutions of law and accountability.”⁵⁵ This became the meat of democracy and governance. In Africa, for example, the declared goal of the foreign aid community focused on political stability, democratic governance, and conflict resolution combined with the development of the continent’s economies.⁵⁶

There are differences about the importance of democratic governance between those stressing political freedom and those arguing for economic libertarianism. “Where these two schools of thought come together,” according to Howard French, “is in the need for foreign donors to give greater encouragement to countries where real democratization is taking place—places . . . where ‘the poor are more empowered and where this induces governments to provide more basic services.’”⁵⁷

With increased emphasis on democracy, the foreign aid catch phrase became good governance. Increasingly, officials concluded that without it, aid often is wasted.⁵⁸ Yet, for one critic, some bureaucrats in USAID’s ODG talk “as if democracy were just a piece of technology, like a water pump, that needs only the right instillation to work in foreign climes.”⁵⁹ “All elections, all the time,” quipped one young USAID ODG official.⁶⁰ In emphasizing governance, especially in the Middle East, the Bush administration focused on national government structures. Critics accused the

Bush administration of being “hubristic, messianic, [and] imperialistic,” particularly when funding committed to the Middle East for democracy and governance was very little.⁶¹

The Middle East remains a challenge for democracy and governance programs, particularly in the Levant and the Arabian Peninsula, where regimes are authoritarian. Elections, critics suggest, are held to impress donor countries and prove to the donors that the recipient country is doing the right thing. Palestine is an important, though troubling example.⁶²

Almost all donors encourage decentralization as a way to reinforce democratic practices. In the past, donors only paid lip service to the issue. According to Raymond Hopkins, “within broad policy guidelines, the management of global political problems, especially those of a non-military nature, resides primarily in decentralized, partially-connected networks of executives in both national governments and private multinational business.”⁶³

In 2000, a major debate about groups centered on the relationship between civil society and political society, and whether or not the former is a prerequisite to the latter. Do civil society groups foster democracy, or do they advocate for special interests economic in nature? Much foreign aid reached NGOs whose advocacy work was social and economic and did not focus on political or human rights. In some situations, these special interest groups exercised inordinate influence over society. From a governance perspective, according to the *New York Times*:

To supporters, the groups—better known in the diplomatic world as NGO’s, or nongovernmental organizations—are essential to Africa’s burgeoning democracy, giving communities the money and power to take part in their own development and circumvent ineffective or corrupt governments. To critics, they are new colonialists who instill dependency among Africans, and their contributions to Africa’s development are hard to measure.⁶⁴

As the millennium approached, former secretary Madeline Albright characterized international governance as “heightened interdependence, overlapping national interests, and borders permeable to everything from terrorists and technology to disease and democratic ideals.”⁶⁵ Technical assistance was *internationalized* in a changing of the guard. Human rights advocates and aid workers from LDCs played an increasing role in assistance alongside of workers from Western nations. There were, for example,

aid workers from LDCs involved in major human rights operations in Cambodia, Guatemala, and Haiti in the 1990s.⁶⁶

Trade and Investment Debates

Despite the lack of private sector support for foreign aid and the annual legislative battle over it, programs survived because there is humanitarian concern within the broad electorate, executive branch, and Congress; however, political leadership was quick to see the commercial advantages of international assistance.⁶⁷ The United States had policies tying aid to purchases from US vendors. For many critics, aid became an expenditure designed to further donor country objectives in commercial and foreign policy.⁶⁸

Trade liberalization, policy reform, and democratic governance as a package constituted a third stage of foreign aid (1983–2006) following an emphasis on growth and industrialization in the 1950s and 1960s and an emphasis on economic redistribution and basic needs in the 1970s.⁶⁹ As early as 1970, according to a presidential report on aid, private development in LDCs needed to “be encouraged by foreign investment, by appropriate domestic policies, and by an adequate public services and infrastructure.”⁷⁰ The developed world needed to create new markets for goods and services in LDCs, with the goal to increase trade with them to promote growth opportunities and create more jobs within the developed countries.⁷¹

Recipient country officials increasingly note that aid favors special interests, particularly agriculture. Under aid regulations, the United States shipped goods on American carriers, required buy-American clauses in aid projects, and protected US small business and agribusiness from competition.

In the modern foreign aid period, agricultural interests were very successful in carving out special privileges, particularly in provisions intended to encourage the export of US surplus agricultural commodities.⁷² In the end, if foreign aid means international cooperation, this “cooperation has two essential aspects: creation of a vast economic area, in which trade is as free as possible, and the granting of development aid to the associated countries, mainly by means of [funds] specially set up for the purpose.”⁷³

Trade and not aid became the slogan of the 1990s among many critics of foreign aid. The African Growth and Opportunity Act (AGOA) of 2000 provided preferential access for selected African goods to US markets. It was, according to Theroux, a charitable idea that assumed African countries could not compete on their own.⁷⁴ However, AGOA failed to completely remove restrictions on LDC trade with the United States. By increasing public sector political power, LDCs may sometimes inhibit

development of effective trade relationships and markets.⁷⁵ These market and trade reciprocities have not yet evolved between LDCs and the United States (and other more developed countries).

Trade policies are central to the development debate. In May 2002, President Bush signed the \$190 billion ten-year farm bill. The farm granted the nation's biggest farmers \$19 billion in subsidies, thus perpetuating a Depression-era program of direct financial aid to agriculture to encourage the production of cotton, dairy products, and grain.⁷⁶

This was central: "If the United States is to open its wallet, poor nations must open their markets."⁷⁷ However, opening US markets to LDC products is another matter. Domestic lobbyists are reluctant to go that route. For example, in 2002, the World Trade Organization members (often hypocritically) debated European concerns that the United States used food aid to dump surplus commodities in foreign countries where the supply undercut LDC farmers' income.

Given the realities of US food policy, "it is also one that illustrates an expanding ideological consensus on the need to address poverty, disease, famine and conflict in Africa—as well as the remaining gulf between left and right about how best to do it."⁷⁸ The trade versus aid debate often appeared fraught with contradictions.

A chief complaint from LDCs is that rich nations are not consistent on trade liberalization. What was needed was less hypocrisy.⁷⁹ The "worst trade barrier [was] the \$300 billion in agricultural subsidies given to farmers in the world's wealthy nations."⁸⁰ Increasingly, "the problem is the establishment of freer trade between North and South. That is something the West has promised but that has not materialized."⁸¹

Despite the critics, the claim that donors manipulate foreign aid for direct political or economic gains in trade and commerce remains exaggerated. There is little evidence that foreign aid supports a donor country's commercial or trade policy in any single situation. As Paul Mosley notes, quoting the OECD, "It is improbable that aid tying provides significant macro-economic benefits to any donor's domestic or balance of trade aggregates."⁸² Nor is there evidence that foreign aid provides political leverage within an LDC, influences economic development, or serves as an instrument of export promotion. The process is more subtle than that. Moreover, it is a matter of perception and blurring of lines between commercial policy and protective tariffs influencing debate around trade and aid.

Because of northern tier trade barriers, millions of people in poor countries grow food and other agricultural products for a living, but they are frozen out (or perceived to be) of wealthy countries' markets by some of

the highest trade barriers in the world, all imposed by the most wealthy nations on the most impoverished.

The United States alone spends twice as much in subsidizing agribusiness than it does aiding poor countries. Debate is both rhetorical and real but has become part of an international belief system. According to Elizabeth Becker, "They [LDCs] complained that one minute the United States says it wants developing countries to rely on free trade rather than handouts, the next it enacts a law, which they say is the biggest impediment in the free trade of food, the one commodity all these countries produce."⁸³

It remains that tariffs and subsidies are the problem. Increasingly, foreign aid experts express disappointment, noting that G8 members failed to acknowledge that it has been their agricultural subsidies that have squeezed out LDCs. A large farm bill that President Bush signed in 2002 took far more money away from Africans by blocking exports than the rich nations dole out in aid.⁸⁴

The United States, Japan, and the European Union are all guilty parties. In the end, sometimes distinguishing foreign aid from export subsidies is not that easy.⁸⁵ The problem is that US unions oppose all duty-free access for Africa under any conditions.⁸⁶ As Tom Webb points out, "In caves and giant warehouses, the U.S. government is storing mountains of powdered milk that taxpayers were required to buy, even though nobody is sure what to do with it all."⁸⁷

There is no justification for denying African states duty-free access for textiles, clothing, and other basic commodities. This should be a given. As Sebastian Mallaby opines:

If Bush aspires to lead the world by the power of America's example, he should aim for nothing less than the top spot in the index. Or to put the same point more bluntly: If he is prepared to risk troops in the name of human advance, surely he should be ready to offend the protectionists who oppose trade and the nativists who hate immigrants and all the other interest groups who oppose making the world stable.⁸⁸

LDC trade and industrial leaders make it clear that duty free access to the United States and other Western markets was much more important than foreign aid. According to one international union leader (Ebrahim Patel), speaking of a broad strategy for promoting development, "[we] support the concept of duty-free access for Africa in textiles and apparel."⁸⁹ One way to quickly raise development is for the United States

(and the rest of the developed world) to grant LDCs preferential access to their markets. Ironically, as the United States and other developed countries approach trade questions,

wealthy nations [such] as the United States continue to press the developing world to open its markets to free trade and turn over public utilities, such as water and electricity, to private companies to curb environmental abuses and improve basic service delivery. . . . [P]oor countries say their efforts have been undermined by the industrialized world's hypocrisy and corporate approach.⁹⁰

A problem with foreign trade, from a developing country perspective, is that rivalries such as that between France and the United States, concern commercial, security, and foreign aid. The United States favors bilateralism and even unilateralism. France has long influenced multilateral aid and is often criticized as sole sourcing to favored French contractors. It favors a multilateral approach to security. As a result, multilateral loans have high interest rates, and overall costs are sometimes twice that awarded through competitive international bids.⁹¹ Jean Chretien of Canada, the then-prime minister (1993–2003), has argued that developed states “must drop their trade barriers to African textiles, footwear and farm products.”⁹²

Occasionally, the United States offers trade preferences even when it is not in the national interest to do so. The United States granted Haiti tariff waivers for its apparel-exporting industry in the 2006 Hemispheric Opportunity through Partnership Encouragement Act (HOPE). The program was unusual because it not only went against U.S. domestic garment producers who are struggling, but also against U.S. interests in other countries that produce apparel. The program was even more unusual in that not only was there strong bipartisan support in Congress, but there was support from the Bush administration as well.

The Millennium Challenge Account

George W. Bush was the first president since John Kennedy to develop a new plan for foreign aid—the Millennium Challenge Account (MCA).⁹³ Under MCA, the United States “planned to increase foreign aid spending by 50 percent over three years beginning in the 2004 fiscal year. The proposal would raise development assistance to \$15 billion, from \$10 billion by 2006 . . . and would not decrease it thereafter.”⁹⁴ The new plan included an initial \$5 billion development fund that would disperse grants for antipoverity projects.

The MCA plan—announced by President Bush at the 2002 UN International Conference on Financing for Development in Monterrey, Mexico—derived from the work of Craig Burnside and David Dollar. After completing an elaborate statistical analysis, the researchers concluded that foreign aid promoted economic growth, so long as the recipient government had solid fiscal, monetary, and trade policies in place.⁹⁵

“The fact is,” Paul Blustein noted, “the president made a \$10 billion, three-year promise called MCA—a program to target new aid to poor countries with sound policies—and a \$15 billion, five-year HIV/AIDS initiative, and he’s received a lot of justified applause.” What was new about MCA was the division of countries according to the quality of their economic policies and democratic governance patterns.

The assumption of MCA’s designers was that in countries with good policies, foreign assistance, if it is significant, reduces poverty; in countries with bad policies it does not.⁹⁶ Foreign aid to poorly managed countries would not promote economic or social development but should rather focus on policy reforms and governance.

Countries with poor policies would not simply be left to their fate. By no means, MCA advocates argued that donors can still help by spreading technological or institutional knowledge in support of democratic governance and policy reform. Within the Bush administration, the theory behind the fund was that aid works well only in nations that embrace principles such as the rule of law, open markets, and the allocation of budget resources to health and education.⁹⁷

President Bush pledged \$5 billion for MCA annually, meaning that if it were fully financed, MCA would represent a doubling of aid.⁹⁸ MCA established a federal corporation,⁹⁹ separate from USAID, which would administer the fund given to countries that adopted sound economic policies, promoted democracy, and attacked corruption. In establishing the program, the

Bush administration deliberately sidestepped the normal route of giving the money to USAID and, instead, created [the] new program called the MCA, which require[d] poor nations to meet criteria of good government to receive aid.¹⁰⁰

In 2002, according to the *Washington Post*, the Bush administration’s newly announced Africa initiative was to be included in the first segment of MCA.¹⁰¹ Based on economic criteria, performance, and governance, MCA would be the closest thing to a development purist’s model ever tried in the United States or elsewhere.¹⁰² According to MCA’s program statement: “The MCA is a partnership built on several key principles—including a

focus on sustainable growth, country ownership, inclusiveness, accountability, and emphasis on results—that will be reflected throughout the development and implementation of MCA programs.”¹⁰³

MCA's beginnings were inauspicious and faltering. Though President Bush appointed well-respected businessman Paul Appelgarth as chief executive of a new enterprise, Millennium Challenge Corporation (MCC), “his tiny hovel is at the end of two rows of cubicles with no reception area in an Arlington office building. The staff, seven people at the beginning of the year (2004), [had] expanded to 42 in six months and [was] due to grow to 200 in a year.”¹⁰⁴ Staffing for the fund was eventually capped at 100 people on limited term appointments.

The original idea was that the MCC would be small, independent, and driven by eligible LDC priorities. MCA was “designed to be independent of State [the State Department] and USAID, with as little bureaucracy as possible.”¹⁰⁵ According to MCC, “When President Bush promised to channel billions of dollars in aid—but only to countries that were committed to ‘ruling justly, investing in their people and encouraging economic freedom’—it was an extraordinary example of how an idea hatched by scholars could wend its way into mainstream politics.”¹⁰⁶ The independence of the MCC was deliberate. Paul Blustein has put it this way:

Secretary of State Colin L. Powell pushed hard for keeping the fund under his purview, according to sources familiar with the debate, but a compromise was reached in which he will chair a board consisting of other Cabinet-level officials who will make the final recommendations to the president about the countries to receive funding.¹⁰⁷

Standards were strict but could change over time as political needs intervened. President Bush made it clear that “the increase in aid,” according to James Dao, “will be contingent on the recipients’ undertaking a range of economic, political and social reforms.”¹⁰⁸ Under MCA, the administration would give more aid to a smaller number of countries that could pass a rigorous set of sixteen performance criteria.

Because of the limited capacity of LDCs to plan using US government formulas, however, there was a danger that MCA would revert to the normal USAID model, where the US government relied on an army of consultants, private companies, and NGOs to prepare proposals and design projects. That began to happen, to some extent, but not nearly as much as critics agonized. MCC had already stated that in some cases, “the next step may be for MCC to help the country identify appropriate technical

assistance to further develop the proposal.”¹⁰⁹ In the first year of operation, USAID identified potential consultants who could assist in the project development process, and some contractors were engaged to assist in the preparation of MCC and LDC documents. MCC rules were not always clear and were subject to change. MCC hedged and in its guidelines warned that the

submission of a proposal by an eligible country does not guarantee that MCC will finalize a Compact with such country or fund the country’s proposed program. MCC will evaluate proposals and make investment decisions based on a variety of considerations, including how well the proposal has demonstrated the relationship between the proposed program and economic growth and poverty reduction.¹¹⁰

Following its review of an eligible country’s proposal, MCC would then contact the country’s designated representative to discuss next steps in what was likely to be a long, difficult process.

By the end of 2002, however, the criteria, according to critics, appeared to change, giving more opportunity to make awards to middle income, politically strategic countries such as South Africa, Russia, Jordan, Peru, and Columbia.¹¹¹ This allowed the administration to use MCA for political or security purposes, weakening the program for some observers.

Congress initially was lukewarm to MCA. Republican lawmakers were hard to convince that this new foreign assistance fund would not be improperly spent on corrupt foreign governments. There was concern about the corruption in the conflict-prone countries of the Balkans.¹¹² Then-Senator Jesse Helms, (R-NC) was the most powerful critic of foreign aid in Congress. He stated that he would only champion an increase in foreign aid if all future US aid funneled to the needy through private charities and other faith-based groups instead of government agencies.¹¹³ Adam Zagorin suggested, “According to Benjamin Gilman, chairman of the House International Relations Committee, widespread graft threatens to destabilize Bosnia and indefinitely postpone the departure of 6,000 U.S. peacekeepers from the troubled Balkan nation.”¹¹⁴

In the planning for MCA, Congress directed it to concentrate its efforts on a few countries with potential for growth and commitment to economic reform. The fund was also to concentrate resources on certain vital sectors, including agricultural production, health, education, and voluntary family planning and to consider the impact of development assistance on the environment.¹¹⁵ Over the next few years, however, the design process was slow, and to its critics, flawed.¹¹⁶

Very quickly it appeared the MCA initiative would fall short of expectations. For some critics, there would be both duplication with USAID and concern about mission drift. The problem was the preparatory work and the “contracting for, monitoring, and evaluating MCC programs would suggest a troubling misalignment of USAID staff’s incentives and responsibilities as well as heavy MCC dependence upon USAID” in implementing the program in the field.

Delays in allocations caused some concern. According to the *Washington Post* in mid-2003, “Bush proposed the Millennium Challenge Account 16 months ago. . . . There’s been some progress on the legislative front, getting bills marked up in the House and Senate, but in terms of getting the program running, there’s been almost nothing.”¹¹⁷

MCA changed over time as well. The president’s initial budget called for allocating \$1.3 billion to MCA in 2004, \$2.6 billion in 2005, and \$5 billion annually after the first three years.¹¹⁸ In 2004, the MCC Board met for the first time. It established the rules for the grants that President Bush stated would total \$5 billion annually by 2008. The goal posts kept moving.

By 2005, the MCA faced severe cuts in its proposed budget, halving it. These cuts were due to the burgeoning deficit and the out-of-control expenses for Iraq and Afghanistan. In what could only be called an understatement, the Bush administration admitted that the grant-making process was extremely slow. Virtually none of the money had been spent, other than for administrative costs; however, one program official cynically claimed that it didn’t matter because “the program [was] as much about good government as about dispensing financial assistance.”¹¹⁹ The MCC director resigned after one year, having failed to ever really come to grips with the management of a complex, start-up program.

In the first year, just fifteen nations were projected to win awards. Only five countries qualified in 2005, with grants totaling less than \$1 million. It was not until 2006 that MCC became fully operational, with eleven signed compact agreements and some \$1.6 billion in programs. Ambassador John Danilovich, MCC’s CEO, is universally credited with turning around MCC in a relatively short time. He reorganized the corporation, hired new staff where needed, improved the award-making process from start to finish, and effectively lobbied Congress and the administration for more time and funding.

Since its establishment in 2004, MCC had signed compacts totaling less than \$6 billion with eighteen countries through 2008. This was far short of original estimates calling for the obligation of \$15 billion up to this time.

In October 2008, the Senate rejected the president’s budget submission for MCC, approving only \$254 million, or just 13 percent of the administration’s request. The Senate claimed that it had rejected the budget

request because it doubted that the money expended was making a difference. The House Appropriations Committee and Subcommittee on State-Foreign Operations on both sides of the aisle protested the budget cut, stating that it felt that much progress had been made and that not granting funding now would seriously jeopardize relations with those countries participating in the program. At this writing (December 2008), the process remains deadlocked.

Triangulation—USAID, State, and Security

In 2006, discussions occurred within USAID about the future of foreign aid. Rumors abounded that USAID would be restructured, linked to military activities, and folded into State, thus ending forty-five years as an independent agency. Creation of MCA fueled these rumors.

The new component in the State Department would be headed by a deputy secretary of State for development (with the title of USAID Director) but perhaps shorn of much of its economic development functions. USAID would be directed away from long-term planning to short-term goals targeting conflict resolution, interagency cooperation with regard to security objectives, and transitional assistance. The rumors portended the likely end or fundamental realignment of more than a half a century of aid.¹²⁰

Some of the rumors were true. From a policy perspective, the institutional changes reflected the new international environment within the foreign policy community and a triangulation between diplomacy, security, and foreign assistance. Ultimately, this would bring foreign policy and foreign aid much closer together and link both to defense and security concerns. While much of traditional foreign aid would continue, there would be a renewed focus on regime change, governance, and security issues, and over time perhaps, a decline in interest in economic and social development.

Natsios, the then-administrator, resigned January 13, 2006, possibly in protest against the decision to incorporate USAID into State. Secretary Condoleezza Rice, in a speech to the Department and USAID, announced on January 19, 2006, that a gradual process to integrate USAID into State had begun, one that would more closely link up foreign policy and foreign aid with Defense priorities. There were many foreign aid components already operating outside USAID at the end of 2006.

By 2006, central to the debate about international assistance was whether and/or when should USAID as a coordinating mechanism for foreign aid ultimately disappear? There was an autonomous HIV/AIDS office that fell outside of USAID, and in addition, there was MCC, organizationally

independent from USAID and designed to transfer major financial resources to democratic progrowth and free trade-oriented LDCs. In all, there are at least eighteen to twenty foreign aid accounts, some in State, and some in USAID, plus assistance programs (including nonmilitary assistance in the Department of Defense). Estimates were that more than 22 percent of non-military foreign assistance flowed through Defense.

Randall Tobias, who had headed one of those units—HIV/AIDs—that had been excluded from USAID control, replaced Natsios.¹²¹ He wore two hats, also being appointed within State as deputy secretary and director of foreign assistance, as well as USAID administrator. It was not entirely clear what role he would play in coordinating the foreign aid units outside of USAID's span of control. In any event, Tobias resigned on April 27, 2007, for personal reasons under the cloud of a scandal.

Secretary Rice spoke of “Transformational Development”—reforms in governance, human capacity, and economic structures. This initiative was to build capacity for conflict management, reconstruction, and stabilization. Under Rice's transformational development policy, the United States' goal promoted “fundamental changes in governance and institutional capacity, human capacity, and economic structure that enabled a country to sustain further economic and social progress.”¹²²

The 2002 *National Security Strategy* paper enunciated three security pillars: defense, diplomacy, and foreign aid.¹²³ The Rice doctrine sought to “build and sustain democratic, well governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.”¹²⁴ The new strategic framework created five categories of countries:

1. *Rebuilding countries*: These include collapsed, fragile (though the term was not used), and postconflict states.
2. *Transforming countries*: These are low- and middle-income states with the potential for meeting MCC performance criteria.
3. *Sustaining Partnerships*: These are countries with higher incomes, who have “graduated” from foreign assistance, with economic, trade, and security relationships with the US beyond foreign aid.
4. *Reforming Countries* (reabeled “Restrictive Countries”): These are made up of authoritarian countries ineligible for government-to-government relationships where the United States can only work through NGOs.
5. *Developing countries*: These are lower- and middle-income countries that are not able to meet MCC performance criteria.¹²⁵

Critics of transformation diplomacy and the transition paradigm abound. Thomas Carothers criticizes the assumption that LDC states are

moving away from authoritarianism toward democracy. Instead, many LDCs remain in a “gray zone” for long periods of time, neither authoritarian nor moving toward democracy. The move toward democracy, he argues, is an “extremely gradual, incremental process of liberalization.”¹²⁶

Ultimately, at issue in the organizational and policy reforms introduced in 2006 by Secretary Rice is whether the changes at USAID are the death toll for traditional foreign aid, what one critic calls a kind of “water torture” in which it was to be replaced by Rice's self-styled Transformational Diplomacy.¹²⁷ The end of the traditional foreign aid mission, if it is real, implicitly assumes that anti-poverty funds were ineffective and should be replaced by funding that promotes strategic and political interests.

In Afghanistan and Iraq, Provincial Reconstruction Teams (PRTs) were already functioning outside of the USAID system—a model likely replicated elsewhere.¹²⁸ The argument made by those advocating PRTs was that the US military can use social work techniques in order to win the hearts and minds of village dwellers. By March 2006, it was clear that there would be increasing linkages between State and USAID, on the one hand, and Defense on the other. Nation-building reforms came out of the debacle of postwar planning in Iraq. PRTs, according to Bob Woodward, involved “political and economic experts, aid workers and engineers who would go into the 18 provinces [in Iraq] set up posts, and help in the rebuilding.”¹²⁹ There were discussions of a civilian reserve that would be available on short notice overseas (modeled on the military reserve).

Defense's intent is to create civil and military transition scenarios for field administration, based on models from Afghanistan, which would play an increased role in postconflict situations. The African Command described above is an example of this pattern of thinking. The control model in Iraq was the Afghanistan model of regional security teams of military and civilians, with each team consisting of State Department officials, a USAID representative, and one or more military officers. These PRTs were created by US Ambassador Zalman Khalizad, an Afghan-American, first in Afghanistan and later, in Iraq when he moved there in 2005. Policymakers considered this model in Africa, including Somalia, southern Sudan, and Darfur.

In the field, USAID and State had difficulties staffing civilian slots in the PRTs. It is unclear how much international support there is for the concept because outside Iraq, NATO and the European Union are involved in peacekeeping and human security activities. There were also financial constraints, particularly in Iraq, that delayed their implementation, and there were quarrels between State and Defense over control.

The foreign aid budget increased from \$10 billion in 2000 to \$27.5 billion in 2006, in part because of the transition model. FY2007

topped \$29 million. However, the organizational reforms in foreign assistance to this point have been little more than a set of “modest stove-piped efforts.”¹³⁰ The merger of USAID and State has been gradual; Carol Lancaster says it reflects a kind of “merger by stealth.”¹³¹

The assistant secretary for foreign assistance, who now doubles as USAID administrator, exerts limited authority over foreign aid portfolios outside of USAID. USAID has only a limited assessment and informational coordination for the accounts in Defense, MCC, and the HIV/AIDS Office. The director has no oversight responsibilities over Agriculture, Health and Human Services, Labor, and Treasury, let alone Defense.

There remains much duplication of effort in foreign aid. An additional USAID problem is that programs and projects have too many restrictions. To what extent will foreign aid be increasingly militarized and linked to political goals? Where will the leadership role in nation-building be located, within civilian or military institutions?

Defense’s foreign aid role expanded in areas of postconflict reconstruction, counterterrorism, antinarcotics efforts, and humanitarian assistance. The extent to which the reform process would continue after the December 2006 resignation of Rumsfeld and collapse of support for Iraq was not clear.¹³²

Conclusion

In the wake of the Iraq debacle and the downward spiraling of events in Afghanistan and the Horn of Africa, strategic analysis came back into vogue with the recognition there is a role that the cool thinking of academics and intellectuals can play in foreign aid and foreign and security policy process beyond the policy implementation process. This approach is likely to predominate in the incoming Obama administration under the leadership of incoming Secretary of State Hillary Rodham Clinton. According to Edward Horesh, as early as 1981, “The proper role of academics in development studies . . . is to analyze economic and social conditions in less developed countries, not to take responsibility for increasing the rate of economic growth in those countries.”¹³³

Changes occurring in aid at this time (2009) make this an opportune moment to examine foreign aid issues from a policy perspective, this chapter’s goal. There are policy problems and a lack of political and, even at times, ethical clarity, plaguing technical assistance and foreign aid during the past sixty years. It may continue well into the next century.

Under the Rice doctrine, there was very little commitment of involving USAID beneficiaries in policy development. There remained few mechanisms to monitor and evaluate foreign aid in terms of impact

rather than output; however, there was agreement about the basic premise of reform of foreign aid and nation-building—that institutions matter.

Policy and implementation concerns are rooted in the evolution of foreign aid policy but also in the ideological and cultural assumptions, antecedents of state-to-state foreign aid as they developed after World War II. Much of this baggage continues into the twenty-first century. In the next chapter, we speculate about the future of international assistance.

Notes

1. Mark Hertsgaard, *The Eagle’s Shadow* (New York: Picador, 2003) p. 71. This is ably demonstrated in Stephen Kinzer’s recent book, *Overthrow: America’s Century of Regime Change from Hawaii to Iraq* (New York: Times Books, 2006).
2. Hertsgaard, *The Eagle’s Shadow*, p. 80.
3. Mark Bowden, *Black Hawk Down: A Story of Modern War* (New York: Penguin, 1999).
4. *Ibid.*, p. 218.
5. See Ian Christie Clark, “From Crisis to Renaissance at UNESCO—Can the Struggle be won without the USA?” *Newsletter of Americans for the Universality of UNESCO* iv, issue 3 (September 4, 1988), p. 13.
6. Robert Kagan, “A Tougher War for the U.S. Is One of Legitimacy,” *New York Times* (January 24, 2004), p. A19.
7. David E. Sanger, “Hawk Sightings Could Be Premature,” *New York Times* (November 21, 2004), p. A1.
8. Rick Barton, “Failed and Failing States: Exploring New Directions for International Development,” Paper Presentation (Washington, DC: George Washington University Development Management Network Workshop, October 30, 2004).
9. Carol Lancaster, *Transforming Foreign Aid: United States Assistance in the 21st Century* (Washington, DC: Institute for International Economics, 2000), pp. 58–59.
10. William D. Hartung, “Military,” in *Power Trip: U.S. Unilateralism and Global Strategy after September 11*, John Feffer, ed. (New York: Seven Stories Press, 2003), p. 60.
11. Bob Woodward, *Bush at War* (New York: Simon & Schuster, 2002), p. 341.
12. Karen de Young, “Falling on His Sword,” *Washington Post Magazine* (October 1, 2006), pp. 13–27. Quote p. 14.
13. Deborah Scroggins, *Emma’s War: An Aid Worker, A Warlord, Radical Islam, and the Politics of Oil—A True Story of Love and Death in the Sudan* (New York: Pantheon Books, 2002), p. 351.