



# 3

## EXERCISING SMART POWER

By Lael Brainard and Noam Unger

**T**he spectacular failure of the U.S. financial regulatory system is just the latest in a series of blows to America's standing in the world over the past eight years—which are particularly troubling against the backdrop of the emergence of new powers, notably China and India as well as resource-rich Russia and Brazil. As the new U.S. administration faces the critical challenge of restoring American leadership, it has a unique opportunity to readjust how America projects its global power. Friends and allies are more important than ever on today's interconnected globe, particularly as it faces sustained threats from climate change, poverty and pandemics as much as from terrorism. To strengthen its global influence, America must present a different face to the world, one that burnishes the country's smart power through more effective aid and stronger civilian, volunteer and private sector engagement.

### THE GLOBAL CONTEXT

In a world where remote threats can rapidly metastasize into emergencies, the fight against global poverty has become a fight of necessity—because national security demands it no less than American morality. The U.S. and the international community can and should do more to address key challenges—including fighting HIV/AIDS and other key infectious diseases while strengthening public health systems; boosting productivity in food production; and, more generally, improving the accessibility and quality of education, especially for girls; targeting poorly governed and conflict-prone states; and helping to mitigate and build resilience to climate change. From the world stage where leaders adopted the UN Millennium Development Goals to the local stage where individuals send text messages to the ONE campaign in support of antipoverty programs, the basic goal is clearly understood: to help the poor lift up their lives and with them the sustainability and stability of the planet.

America's engagement in the fight against global poverty harkens back to the best traditions of the Marshall Plan, the founding of the Bretton Woods institutions and John F. Kennedy's Alliance for Progress. But it also appeals to the best instincts of a new

generation of Americans who are engaged in the fight against global poverty as never before. Individual donations from the U.S. to the developing world have surged to roughly \$26 billion a year, exceeding official development assistance, and more than 50,000 Americans volunteer their time overseas each year. Americans' consciences, hearts and faith demand that the U.S. tackle deprivation because it is the right thing to do. But helping the poor gain access to shelter, medicine, sustenance, education and opportunity does more than make Americans feel good; it also makes the world feel good about America. When America leads in helping the poor lift up their lives, it enhances its own influence and authority in the world community—building support for its interests in other areas.

## THE CHALLENGE

America's aspirations and aid dollars will surely exceed its impact on the ground unless and until it refocuses its foreign assistance strategy, modernizes its aid apparatus and builds its civilian capability. The urgent demands of postconflict reconstruction in Iraq and Afghanistan and humanitarian disasters have led to a faster rate of expansion of foreign assistance dollars in the last seven years than at any point since the Cold War. But instead of modernizing the U.S. aid infrastructure left from the Cold War era, the George W. Bush administration responded to each new global challenge by creating new ad hoc institutional arrangements alongside the old ones, such as the President's Emergency Plan for AIDS Relief, the President's Malaria Initiative, the Millennium Challenge Corporation, and the State Department's Office of the Director of Foreign Assistance. Meanwhile, by default rather than design, the Defense Department has been taking on a growing role, and it now accounts for one-fifth of U.S. official development assistance.

With all this recent U.S. institution building, the federal government's executive branch now has 50 separate units that share responsibility for aid planning and delivery, with a dizzying array of 50 objectives ranging from narcotics eradication to biodiversity preservation. Different agencies pursue overlapping objectives with poor communication and coordination. At best, this lack of integration means that the United States is failing to take advantage of potential synergies; at worst, these disparate efforts are working at cross-purposes. Meanwhile, at a time when aid dollars have grown rapidly, the number of civilians with the training and experience to effectively implement assistance programs has diminished sharply. As a result, the impact of American foreign assistance is falling short of the value of the aid dollars expended—which remains unmatched among bilateral donors.

Internationally, as Brookings expert Homi Kharas has shown, the average number of donors per country is growing, while

the average project size appears to be shrinking, implying a growing fragmentation of aid and underscoring the need to improve global, as well as U.S., systems.

Making U.S. aid efforts not just bigger but also smarter—through better coordination, planning and aid administration—should be a primary objective for the next administration as it addresses global poverty.

## AMERICA'S OPPORTUNITY

The next U.S. president will have the opportunity to:

- > **Elevate development assistance to equal stature and independent standing alongside defense and diplomacy by aligning resources and capabilities with goals.** A Cabinet-level voice for development would serve as a bold commitment to ensure against the subordination of long-term investments in democratization, development and poverty alleviation to short-term political objectives. Instead of the 50 units currently managing its aid programs, the U.S. should have one operationally capable, integrated agency. Instead of the 50-odd objectives these units pursue, the U.S. should have no more than five strategic aid priorities: fighting poverty; supporting capable, accountable states that advance human development and security; and countering security, humanitarian and transnational threats. This focus is critical for maintaining broad support for expanded assistance. Instead of stove-piped trade, aid and debt policies, the U.S. should have a high-level policy coordinator in the White House and integrated task forces in the field.
- > **Strengthen U.S. civilian capabilities** to assist weak and failing states by bolstering civilian capacity for conflict prevention, stabilization and reconstruction both inside the government and in reserve; increase the seniority of White House coordination; and ensure linkages between interagency planning and foreign assistance operations.
- > **Showcase the spirit of American generosity by doubling the number of Americans who volunteer overseas by 2010.** The U.S. should do this by revitalizing and expanding its established programs that encourage volunteer service abroad. Also, with a small investment and by engaging key players outside government, the U.S. can and must create innovative new approaches that support the myriad global service, cultural and educational exchange opportunities provided by America's vibrant faith-based and private volunteer organizations, universities and businesses. Finally, efforts supported by the U.S. government that are related to international service and volunteering should be drawn together under a Corporation for International Study and

Service, a globally oriented analog to the existing domestic Corporation for National and Community Service.

- > **Adapt to and leverage the new ecosystem of global development players**—including multinational corporations, major individual philanthropists, high-profile advocates and especially the vocal and energized public working through grassroots and faith-based networks—that are fundamentally redefining the international development community. The next administration should create platforms and flexible funding mechanisms within the U.S. foreign assistance agency to systematically, proactively encourage multistakeholder collaboration; replicate and scale up successful innovations; and adopt common mechanisms for evaluating results and enhancing accountability.
- > **Help developing countries fully integrate their climate adaptation activities into their broader national programs for reducing poverty and creating wealth.** The next U.S. administration can both redirect bilateral and multilateral funding to projects that are carbon neutral and help align development outcomes with climate resilience to minimize the threat of promoting climate maladaptation that inadvertently impedes human development or development programs that result in greater vulnerability to climate change.

## WANT TO READ MORE?

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