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COVID-19 exposes a changed world

A prescription for renewing U.S. global partnership

George Ingram

COVID-19 exposes a changed world: A prescription for renewing U.S. global partnership

George Ingram is a Senior Fellow in the Center for Sustainable Development at the Brookings Institution

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The world of 2021 that awaits the Biden-Harris administration no longer resembles the relatively simple and stable post-World War II international system, nor the dominant position the U.S. briefly held in the post-Cold War period of the 1990s. Nor is it even the world following 9/11 or the Great Recession of 2008 and 2009 that Vice President Biden helped the Obama administration navigate. The economic, social, and political disruption wrought by the current pandemic, along with retrenchment from global leadership of the Trump administration, have unmasked and accelerated what has been an evolving alteration in the international order and the U.S. position in that frame. The disruption to the international order is forcing a reassessment of the notion of "American exceptionalism" and what is meant by "U.S. global leadership"—maybe "leadership" in a multi-polar/multi-actor world means listening and partnering rather than driving the train?

Challenges

It's not new, but still worth stating, that the world is irreversibly interconnected. What happens elsewhere in the world affects America's security and prosperity. Challenges to global peace, stability, and economic prospects are also challenges to the United States and appear to be ever-expanding—health pandemics, climate change, mass migration, terrorism, cyberattacks, national and global inequalities and inequities, political/social instability and fragility, growing autocracy and setbacks for democracy and human rights, rising nationalism jeopardizing international cooperation, endless wars in Iraq and Afghanistan, nuclear proliferation by Iran and North Korea, continued instability in the Middle East, and rising China-U.S. tensions spurring what looks like a new form of "Cold War."

These are fundamental, even existential, challenges that impact lives around the world and here in America. All this occurs within a geopolitical overlay of an increasingly complex multi-polar/multi-actor world, the Trump administration's attack on norms and alliances that the U.S. spent decades building and sustaining, and a global economic setback brought on by COVID-19 that is reversing the decline in global poverty and risking another debt crisis. An essential element to effectively operate in this environment and address these issues, and for the U.S. to reengage as a partner in the global arena and rebuild

trust in our leadership, is for the new administration to "build back better" American assets, capabilities, and approach to engaging the world.

Frame for development[1]

To be successfully addressed and find the relevant U.S. role, these transnational challenges require both an understanding of what worked during the 75 years of the post-World War II era and the evolving global frame. Three dynamics are particularly instructive to guide how the U.S. should operate moving forward.

1. American values and results

Per former Defense Secretary Robert Gates' incisive analysis in his new book *Exercise of Power*, the Cold War was not won on the military battlefield. Yes, a strong defense was an essential underpinning, along with powerful alliances that require continuous maintenance and nurturing. But what are the fundamental reasons other countries have looked to the United States and have wanted to partner with us?

They are twofold. One, people around the world have been inspired by the ideals upon which this nation was founded and for which it stands—individual rights, liberty, the predictability of rule of law, private sector-led prosperity, the richness and vibrance of our democracy and culture. It is these values, even when we have strayed from them, that have attracted and kept countries and peoples in our court.

The second is the inspiring accomplishments of the American people. For more than a century the United States has been seen as the richest country, with the freest people, hosting the top universities and cutting-edge research. It is the country with the best technology and ability to innovate and deploy those assets to put a man on the moon. It is the country with the strongest and best managed companies. It is the country that was exceptional because it could do what no

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1 The following two sections are adapted from a recent publication -- George Ingram, "Making U.S. Global Development Structures and Functions Fit for Purpose: A 2021 Agenda", Brookings, October 2020, at https://www.brookings.edu/research/making-us-global-development-structures-and-functions-fit-for-purpose/

other country could do. These results amazed the world and made so many others want to be like America, the “can-do country”.

These two perceptions have built a deep reservoir of goodwill toward America that is fading and needs to be rekindled. That goodwill can be restored by a combination of returning order and competence to domestic policies and politics and of demonstrating that America cares about other countries and people and the global commons.

2. U.S. *and* American leadership

These values and way of life prevailed in the Cold War, not just through actions and policies of the United States government (“U.S. Leadership”), but through the panoply of American civilian assets and actions (“American Leadership”).[2] Examples of “American Leadership” are the compelling values of democracy, international student exchanges, non-profit organizations working in the most difficult places, private philanthropy, and the ubiquity of our culture (movies, TV, fashion, music, literature, internet). It extends to Americans volunteering time and talent around the world, the Peace Corps, scientific and medical preeminence, the practice of innovation, and public/private partnerships tackling global health challenges such as polio, malaria, and HIV/AIDS. Thousands of institutions and organizations, and millions of individual Americans, mobilized across the American landscape and bolstered by principled U.S. leadership, can drive many aspects of global development. This is reflected today in the many cities and states that are stepping up to commit to the Sustainable Development Goals (SDGs) and use them to guide actions and measure progress. Both U.S. and American leadership, working in tandem and in collaboration—in contrast to the current dissonance between the two—can contribute to convening and inspiring the world to work together to advance global peace and prosperity.

3. Revised geopolitics

While still first in military power, the U.S. is no longer the stand-alone dominant global economic and political power, as it was at the end of World War II and then

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[2] I first heard this distinction articulated by John Allen, President of the Brookings Institution, at the 2018 Brookings Blum Roundtable - https://www.brookings.edu/wp-content/uploads/2018/12/Blum2018-Post-ConferenceReport-Web.pdf

again at the close of the Cold War. The U.S. is now sharing a multipolar world stage with many other actors, not just governments but also private entities. Large, established international organizations are often stymied by lack of consensus that restricts their actions to the least-common-denominator and are sometimes perceived as a captive of their professional staff. Global governance is becoming more decentralized and maybe more democratic — moving to regional action, located in temporary, flexible alliances, governed by informal arrangements rather than formal rules and agreements, and structured in vertical public/private arrangements.

The U.S. appears to be on the cusp of a repeat of the historic dilemma of an established power confronted by a rising power. Chinese assertiveness and challenge to international norms, and the reactive U.S. response, is threatening a new economic-driven "Cold War". Will the U.S. continue its recent practice of a go-it-alone strategy, actually a non-strategy, of pretending it can just defend the old order, or will it join with like-minded liberal, and maybe some not-so-liberal, democracies to forge a new international consensus and set of norms? The U.S. has spent several years in retreat from global leadership and multilateral action. As a result, many countries and international institutions have struggled to identify a path forward in the absence of U.S. leadership. Moreover, there is now a wedge between official U.S. and the international mainstream on key issues facing global cooperation—starkly evidenced by the Trump administration reneging on U.S. participation in the 194-country member Paris Climate Accord and failing to commit to the 193-country adopted SDGs. It is only through being a collaborative player—listening and seeking common ground—with other governments, international organizations, private sector, and civil society, that U.S. leadership and engagement will be revived, trust in America restored, and transnational challenges effectively addressed.

Further, global demography and the fulcrum of global economic and political power are rebalancing, with a gradual shift from Europe and the West to Asia and Africa. Along with China becoming a major economic and political force, "middle powers" in Asia and elsewhere are coming to the fore and seeking to reduce their dependence on the two major powers to find a more independent path. The emergence of Africa is on the horizon. In 1950, Africa housed less than half (40 percent) of the population of Europe; today, Europe is just 55 percent of the population of Africa. By 2050 Africa will have doubled to 2 billion people: its largest country, Nigeria, will have one of the five largest populations in the world,

larger than that of the United States. By 2100 almost 50 percent of under-15-year-olds will live in Africa. What are these emerging countries looking for? Sure, governments want adequate security and protection, but the people, besides personal safety, want development—they want a better quality of life, greater equity, political and social freedom, and respect.

Impacts of COVID-19

The ramifications of COVID-19 are widespread, touching every aspect of society, likely in long-lasting ways. Social and economic inequalities that have existed globally and within populations have been accentuated by the pandemic. Families/individuals/students/workers who are better off financially and digitally savvy are marginally affected while populations with minimal resources overwhelmingly bear the brunt of the impact. A few larger, digitally capable companies are even profiting while thousands of small and medium companies go bankrupt. First-line impacts are wide-ranging—an estimated 140 million people sinking into extreme poverty; a shrinking of what was an expanding global middle class; pandemic-level deaths; setbacks on access to basic healthcare, including maternal and child health services; global economic contraction; disruption of supply chains; rising levels of hunger; autocrats seizing advantage of the crisis; over 1.5 billion students out of school, 463 million without access to remote learning, resulting in setbacks in education and gender equality, including increased incidence of gender-based violence, early and forced marriage, and trafficking. Developing countries, outside of China, are projected to have suffered a 5.7 percent decline in economic output in 2020, fueled by a significant falloff in trade and tourism, a 30-45 percent decline in foreign direct investment, and a 7 percent decline in remittances. Combined with the weakening of many currencies, the nominal U.S. dollar decline in GDP will be 10 percent for 2020.[3]

The long-term, secondary impacts are still unveiling—economic activity being even more technology-driven, the digitally illiterate and unreached falling behind, youth losing a year or more of schooling and many never returning. A

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3 Homi Kharas and Meagan Dooley, "The post-COVID legacy of debt in developing countries" Brookings Institution, December 2020.

constructive impact hopefully will be a boost to greater localization of development efforts.

American exceptionalism

Along with the diffusion of global power and influence and the Trump administration's subversion of U.S. global engagement, COVID-19 is accelerating the rethinking of the notion of "American exceptionalism"—America as the shining city on the hill. The model of enlightened governance, more likely New Zealand today, has been part of the American mythology since the founding of the nation. This mythology was reinforced by victory in World War II and the expanding middle class and shared economic prosperity during the 1950s and 1960s, but has since been eroded by failed wars and other well-meaning but errant foreign policy decisions, several decades of growing economic inequality in America, and public unrest born of social inequities. COVID-19 has focused the spotlight on the social and economic inequities in our society, with disaffected groups speaking out to demand a reset. The inability to contain the virus in America, in contrast to the relative success of some middle powers such as Korea, along with failure to participate in, much less to live up to its history of leading an international response, has further damaged the image of the United States. It leaves people wondering, if America, with all its resources and advanced medical knowledge and expertise, cannot contain COVID-19, maybe it's not so great, maybe it's not so exceptional!

This bursting of the myth of American exceptionalism within the United States, long in the making, can potentially have the salutary effect of making U.S. international policy a little more humble, more collaborative, and place American leaders more in a listening mode. On the international level, it has had the broader deleterious effect of undermining the concept of democratic liberalism and what is known as the international liberal order. Regimes with an authoritarian bent are taking advantage of what is seen as America's inability to deal effectively with a crisis and of Donald Trump's own attack on the structures of American democracy, his cozying up to authoritarian figures in other countries, and his withdrawal from U.S. international engagement. They are clamping down on democratic structures, the media, and the political opposition in their countries.

There are alternative medium-term scenarios for the international image and understanding of America. One is the perception of American democracy in crisis, as fragile and weak in dealing with difficult situations, and its international leadership as undependable and untrustworthy. The other is American democracy as strong and resilient that it withstands direct attack even by a president. The possibility of the second perception derives from the response of Hernando de Soto when, at a meeting in the late 1990s with USAID headquarters staff, I bemoaned the level of corruption in America as evidenced by the scandal at Enron and several other corporate giants. His response (to paraphrase): "But in America this became public and the guilty paid a price, which never would happen in my country of Peru."

The issue is will the world view this period as American-democracy-fragile-and-under-siege or as American-democracy-resilient? Will the world remember Trump and his Republican enablers trying to subvert the democratic process through challenging legal votes with pressure on local and state elections officials, bogus judicial challenges, and Republican members of Congress trying to reject duly elected presidential electors? Or will they see the invasion of the Capitol as the actions of a few thousand discontent unAmerican ruffians and focus on all ten former secretaries of defense[4] issuing a bipartisan statement defending the constitutional order, business leaders[5] condemning the violence as seditious, and the actions of state and local Republican officials—the Secretary of State and Attorney General of Georgia and the local county elections official in Michigan—to withstand pressure from the president to subvert our democratic processes? Is American democracy to be seen and judged as fragile or resilient—ah, the same question we ask on many levels of the 57 developing countries the OECD deems fragile!

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[4] "All 10 living former defense secretaries: Involving the military in election disputes would cross into dangerous territory," *Washington Post,* January 3, 2021, https://www.washingtonpost.com/opinions/10-former-defense-secretaries-military-peaceful-transfer-of-power/2021/01/03/2a23d52e-4c4d-11eb-a9f4-0e668b9772ba_story.html

[5] Emily Flitter, Gillian Friedman, Kellen Browning and David Gelles, "Business Leaders Condemn Violence on Capitol Hill: 'This Is Sedition'", *New York Times,* January 16, 2021, https://www.nytimes.com/2021/01/06/business/sedition.html

Lessons for international assistance

COVID-19 delivers at least three big messages—again not new, but now harder to ignore—for how public and private donor communities should deploy their largess.

One is that COVID-19 has exposed the shortcomings of concentrating donor assistance for health on individual diseases. The upside has been success against specific illnesses, e.g., the eradication of smallpox, elimination of polio in all but three countries (Afghanistan, Pakistan, and Nigeria), and significant reduction in scourges such as HIV/AIDs, TB, and malaria. The downside is that much of this success has been through vertical, parallel health structures focused on a single disease rather than constructing health systems that can provide comprehensive health care and respond to an unexpected crisis.

A second message is that the siloed structure of donor programs, common not just within health but across the development portfolio, is not the most effective way to advance development. COVID-19, like many global challenges, is not just a crisis within an isolated sector. It first and foremost is a health crisis, but it also has major economic and political ramifications. Development experts have known for a long time that development comes not just from education, or health, or democracy, or economic growth, but that successful efforts are those that join all these and more in an integrated approach.

The third message evidenced by COVID-19 is the interconnectedness and dependence of domestic and international interests and the need for consistent, integrated domestic and international approaches. We have long understood, but not always thusly acted, that, with 95 percent of the world's consumers living outside U.S. borders and growing internationalization of supply chains, American prosperity is linked to economic prosperity in other countries. Climate change has, in recent years, brought home how interdependent America is with the rest of the world. Now COVID-19 does the same. We are confronted with the evidence that Americans are not safe from COVID-19 as long as it persists anywhere in the world. Beyond health, we see how its economic effects elsewhere in the world come home to us in rising unemployment, scarcity of some goods, and declining exports. Further, we see how COVID-19 is incentivizing autocracy, nativism, and abuse of human rights that is spreading among countries. The flipside applies too. The credibility and relevance of our international approaches to climate and

COVID-19 will rest on the validity of our domestic efforts—the two must be consistent, coordinated, built on one another, and even integrated.

International order

A global pandemic like COVID-19 reminds us why following World War II the "great generation" of American leaders was determined that never again would America hunker down inside its borders to "leave the world alone", as was the case with disastrous effect in the interwar period. They understood that America, cordoned off by two oceans and two friendly borders, was not immune to the effects of economic, social, and political instability and disruption elsewhere in the world. They acted on the model of "enlightened self-interest"—the U.S. contributing its leadership and fair share to global public goods that benefit both the world and America—that has served the country well for three-quarters of a century.

COVID-19, accompanied by the absence of American international engagement and the capacity of digital tools to be used for nefarious purposes, has accelerated a 10-to-15-year global retreat of democracy and human rights. China points to its relative success in shutting down the virus as evidence that its form of one-party governance works. Governments with a repressive bent use the China model and COVID-19 as an excuse to repress unfriendly media, close political space, imprison political opponents, harass civil society organizations, and restrict their access to foreign funding.

COVID-19 highlights the inadequacies of global institutions. International organizations, designed for the balance of power of the mid- to late-20th century, for some time have been showing their age and how unrepresentative they are of altered global dynamics. Absent U.S. leadership, these institutions, such as the World Health Organization (WHO), the World Bank, and various U.N. organizations, have not been able to orchestrate a coherent global response to the pandemic. Meanwhile, China has sought to step into the breach, grabbing leadership positions and providing countries with needed personal protective equipment (PPE) supplies, but doing little to improve the functioning of existing international organizations.

COVID-19 reveals the urgent need to update key international institutions to better reflect a more multi-polar/multi-actor diverse world. The alternative is the recent trend of nations and people addressing global and regional challenges through more informal, floating alliances, some just of governments and some of government, corporations, and civil society. These alliances tend to be more flexible, more democratic, more creative, more assertive in advancing concrete solutions, but at the same time focused on single issues and not amenable to offering comprehensive solutions to large global challenges.

Moving forward

Reasserting and redesigning U.S. global leadership and engagement will be a principal task confronting the Biden-Harris administration. The President-elect has stated that America is back and will resume its place at the head-of-the-table. While it appears from reaction to the U.S. election in other countries that America is being welcomed back, it is less certain that it can just assume the seat at the head-of-the-table. That presumed position was already being questioned prior to the Trump administration. In fact, the table may no longer be rectangular but round, with the leadership position in permanent rotation, or more a collective leadership, depending on the issue at hand. As it reenters the room, American diplomacy must evidence a degree of humility, should listen well, and must be seen to be acting as a team player—as a partner.

There are at least seven components that will contribute to rebuilding U.S. global participation and partnership.

1. Domestic house in order

Foremost will be putting the domestic house in order. Following George Kennan's advice in the late 1940s, the first step in meeting external challenges is to set right the American domestic ship on a myriad of issues. Today, that agenda would cover fiscal policy, education, health care, police reform, transport and digital infrastructure, social and economic inequities, rural communities left behind, and trust in our democratic processes and government. These are beyond the scope of this paper but are referenced just to note that it is upon the strengthen of domestic assets and capabilities that U.S. international

engagement and leadership are constructed. The fundamental requirement for advancing the domestic agenda is for national politicians to move away from the politics of polarization and towards the center and compromise. This is a tall order in a closely divided Congress and if former President Trump and others continue to use the economic and social disparities of the country to radicalize opposing political forces.

2. Elevate diplomacy and development[6]

The global challenges that are a threat to American and world peace and prosperity are overwhelmingly transnational and can only be addressed in varying combinations of the triad of the 3Ds—defense, diplomacy, and development. Given overwhelming U.S. military capability, too often we turn to that leg of the stool when it is the other two that would be more efficacious. It is instructive to look at each major challenge and consider which of the three instruments would be most relevant. The list includes Chinese assertiveness, Iran and North Korean nuclear capability, Middle East peace, terrorism, health pandemics, climate change, poverty, systemic national and global inequities, economic contraction, democracy in retreat, and historic levels of migration. What is striking is they all require being addressed by at least two of the 3Ds, most often by diplomacy and development.

Following the Trump administration's hollowing out of diplomacy and development—even deeper in diplomacy than development—presidential candidate Joe Biden in the March/April issue of *Foreign Affairs* committed to rebuilding the "first instrument of American power"—diplomacy—by which he likely means both diplomacy and development. Rebuilding the two companion instruments needs to be addressed first and foremost at the level of human resources. Among other steps, this would involve nominating experienced and experts to senior positions (as reflected in his initial appointee announcements) and filling all senior positions with Senate-confirmed appointees (rather than the many in acting positions in the Trump administration). It would mean supporting and respecting the career service, including restricting political appointments to 20-25 percent of senior positions and re-staffing the career services at the
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6 For more detail on this section on elevating diplomacy and development see George Ingram, "Making U.S. Global Development Structures and Functions Fit for Purpose: A 2021 Agenda", Brookings, October 2020, at https://www.brookings.edu/research/making-us-global-development-structures-and-functions-fit-for-purpose/

Department of State and USAID to the level of appropriated funds. And, it would extend to recalibrating the Foreign Service and Civil Service to better represent the diversity of America and meet the agency and family dynamics of the contemporary world and broadening professional development opportunities (as does the military service in maintaining a 10 to 15 percent "float" of personnel engaged in training and other professional development programs).

On the development side, this means elevating the role of development agencies, specifically USAID, in policymaking. It would include assigning cabinet rank to the administrator of USAID and designating USAID as a permanent member of the National Security Council. It would require giving USAID full authority over the budgets it manages through ending the unproductive, time-consuming oversight of the State Department Office of Foreign Assistance (known as F); re-establishing the Development Coordinating Committee authorized by section 640(B) of the Foreign Assistance Act and designating the USAID administrator as the chair; and turning to the USAID mission director as the embassy coordinator on development and foreign assistance, reporting to the ambassador.

Another critical step is to take a strategic approach to development and the role it plays in advancing U.S. international and national security issues. This means going beyond the Obama administration's first ever Presidential Determination on Development, which was a constructive policy statement but not a strategy, to issue a comprehensive development strategy for the entire U.S. government. It should be developed through an interagency process co-led by USAID and the senior NSC staff person for development, with serious consultations with responsible congressional committees and civil society. The strategy, along with comparable strategies for diplomacy and defense, would roll up into an overall U.S. national security strategy.

3. International Affairs Budget

The International Affairs budget has stagnated in the range of $55 billion[7] ($35 billion of which goes for foreign aid) for six years. That is considered a victory, won through bipartisan rejection of Trump's annual proposals of cuts of 22 to 35 percent, but the reality is it means U.S. development cooperation has not kept pace with expanding global challenges. Budgets for the Biden-Harris

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7 $57.4 billion for FY 2021.

administration will be under pressure to catch up on a range of domestic issues, but increased resources for international affairs are also urgent, to meet the diplomatic challenges posed by Chinese assertiveness and various foreign policy priorities and to address climate change, global health pandemic response, economic rebuilding, and other development matters.

One approach is to act on the often asserted but seldom realized maxim that our national security rests on the 3Ds. This can be accomplished by ending the separation of the defense budget from the budgets for diplomacy and development. The old adage "an ounce of prevention is worth a pound of cure" is revealed in analyses in the field of diplomacy/development that it is much cheaper to spend a few billion on prevention—for example, helping to maintain peace and stability and build health systems—than on the cleanup, i.e., the trillions required to fight wars and tame internal strife and to respond to exploded health pandemics.

In the most recent yearend (December 2020) congressional spending package, the Congress provided emergency COVID-19-related international funding of $4.3 billion, $4 billion for GAVI and $300 million for State Department operations. While this is commendable, the U.S. has shortchanged its COVID-19 international response responsibilities and needs to do better. In five bills containing COVID-19-related funding the congress enacted this calendar year (four FY 2020 COVID-19 emergence bills and the just-passed FY 2021 package), COVID-19 funding totals $3.3 trillion dollars, of which approximately $7 billion has been for international programs[8]. That amounts to about 0.2 percent—two-tenths of 1 percent. To put the latest $4 billion[9] in context, were this the contribution to the $35 billion request for COVAX, and, given that the U.S. traditionally has borne over one-fifth of the cost of international assistance initiatives and one-third of the cost of health initiatives, this $4 billion contribution is disappointingly low—

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8 To provide a little more detail, the calculation is a bit tricky as some emergency funding falls under FY20 and some under FY21. The total cost of the first three and a half COVID relief supplementals enacted for FY20 (the "half" bill, was largely extensions) was about $2.4 trillion, involving both spending and revenue measures. Of that total, about $2.7 billion was for various international programs (the vast majority, but not all, of this funding being COVID related). In terms of the most recent bill, things are complicated as the $4.27 billion in (mostly COVID-related) emergency funding is in the annual FY 2021 state foreign operations appropriations, rather than the $900 billion COVID relief package.

9 The additional $300 million is for State Department operations and so is not included in this calculation as it is not foreign assistance.

between one-third to one-half of its historical share. This is a sad commentary on America's concern for the rest of humanity.

The earlier House-passed but Senate-ignored HEROES Act contained $10 billion for international COVID-19 response, as did the House-passed FY 2021 state foreign operations appropriations bill. Unfortunately, the $4 billion in the final bill falls well short of $10 billion. The U.S. Global Leadership Coalition has led a civil society coalition that has identified $20 billion needed for a comprehensive U.S. international initiative on COVID-19. As the president-elected has suggested, the new administration and Congress should early in 2021 move a follow-on COVID-19 response bill, and it should include more robust funding for international affairs to demonstrate that the U.S. is a responsible, engaged, and caring international partner.

4. Multilateralism

The president-elect has stated he will return America to the Paris Climate Accord and the WHO. These are important day-one actions that would signal the U.S. restoring its traditional multilateral approach to the world. They should be accompanied by other specific re-engagements through active participation in and support for multilateral institutions, such as a commitment to play by the rules in the World Trade Organization (WTO) that would be signaled by consent to the appointment of new judges to the dispute resolution mechanism so it can resume functioning. This policy would translate into U.S. participation in multilateral approaches to addressing COVID-19 and humanitarian and debt crises, including increased funding for multilateral development institutions. It would be reflected by the administration committing to the SDGs and integrating them into development priorities and policies. These actions fit the mold of president-elect Biden's record and recent commitments.

U.S. arrears

A big signal, that would garner international attention and respect, would be to fortify the ability of multilateral and international organizations to meet their obligations and responsibilities by the United States making good on its financial delinquencies. The United States is carrying international arrears in the range of $6 billion—$2.8 billion to the multilateral and regional development banks, $2.4

billion to the U.N.,[10] and approximately $850 million to fourteen other international organizations.[11,12] Using the precedent of the 1999 Helms-Biden Act in repaying $1.2 billion in U.S. arrears to the U.N., the new administration should propose in its FY2022 budget submission a major Debt Clearance Initiative, a one-time appropriation to make good on U.S. arrears. This debt clearance should be followed by a strategic Multilateral Aid Review of U.S. participation in multilateral development institutions and international organizations, as the U.K. has done three times (2011, 2013, and 2016). This would assess the value and effectiveness of U.S. participation in each institution to inform future participation and funding.

Debt

The debt burden hanging over many developing countries is a known pending crisis calling for the United States to return to its traditional role in leading a global response. Debt is a serious constraint on the ability of developing countries to respond to the domestic social impact of COVID-19 and restore their economies to positive growth. The G-20 Debt Service Suspension Initiative (DSSI), basically a holding operation, does not resolve the debt issue. It focuses on low-income developing countries, leans towards austerity, fails to distinguish between countries facing liquidity difficulties and those facing solvency problems, and does not include participation by important sources of the lending—certain countries, most glaringly China, and private sector lenders. One would think the austerity measures of the Washington Consensus of two decades ago would have shown government and multilateral institutions the damage that can be caused by leaning too heavily on such measures.

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10 Comprised of $625.9 million for the regular UN budget, $1,554.4 billion for Peace Keeping, and $27.5 million for War Crimes.
11 The largest being $612 million to UNESCO, $58.9 million to the WHO, $56.6 million to the FAO, and $45.3 million to the ILO.
12 These numbers should be taken as illustrative, as (1) the MDB numbers are through FY 2020 and would increase by another $292.217 million under the administrations FY 2021 budget proposal which when this paper was drafted was still under consideration by the Congress (from U.S. Department of the Treasury, International Programs, Congressional Justification for Appropriations FY 2021); (2) the numbers for international organizations are as of January 1, 2019, some arrears are due to the fact that typically the U.S. makes payment to international organizations at the end of the fiscal year and therefore go into temporary arrearage, and some payments are withheld due to statutory requirements (from June 4 letter from the Department of State to Senator Risch, chairman of the Senate Foreign Relations Committee).

A new Brookings analysis[13] reports that sovereign debt is projected to increase 12 percent in emerging markets and 8 percent in low-income countries and that 70 percent of debt is owed by upper-middle-income countries. Country-by-country analysis reveals $54 billion of debt is held by 27 highly indebted countries and 34 countries face potential default.

Multilateral finance

The new administration should help galvanize a developed country/multilateral institution initiative. The multilaterals, structured to share the burden and leverage the credit of their membership and with access to the lowest borrowing rates, should lead a financing approach (as opposed to an austerity approach) based on careful analysis as to whether an individual country faces a liquidity problem (suggesting debt restructuring and additional finance) or insolvency (suggesting forgiveness).[14] The foremost goal should be to secure the economic stability and growth of debt-ridden developing countries, not the security of the international financial institutions—in fact, it is stepping up to providing the financing necessary to rescue those countries that will secure the relevance and importance of those institutions.

If the international financial institutions are to meet expectations and needs, they must be able to provide additional finance. They can obtain greater finance through increasing donor obligations and through revising their rules on accessing capital markets. There also could be a new issuance of SDRs, which, although they would be distributed mainly to more advanced countries, would contribute to adding liquidity through lending and swap arrangements and allow advanced countries and the IMF to play a larger role.[15]

Multilateral governance

The U.S. should partner with other countries on the long overdue updating of governance of global institutions to the economic and power realities of the

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13 Homi Kharas and Meagan Dooley, "The post-COVID legacy of debt in developing countries" Brookings Institution, December 2020

14 Homi Kharas and Meagan Dooley, "The post-COVID legacy of debt in developing countries" Brookings Institution, December 2020.

15 For more on SDRs, see Kevin Gallagher, Jose Antonio Ocampo, Ulrich Volz, "IMF Special Drawing Rights: A key tool for attacking COVID-19 financial fallout in developing countries", Future Development, Brookings Institution, March 26, 2020, https://www.brookings.edu/blog/future-development/2020/03/26/imf-special-drawing-rights-a-key-tool-for-attacking-a-covid-19-financial-fallout-in-developing-countries/

world of 2021. For example, a 2015 IMF working paper recommended that the U.S. quota be reduced from 17.7 percent to 17.4 percent and the European share from 32 percent to 30.4 percent for reallocation to emerging countries. If international institutions are to retain the trust and role in setting the agenda and action on global public goods, they must reflect the power dynamics of the day—they must be more democratic in representing the rise of Asia, China, and other middle-income countries. Further, the U.S. should propose an end to the antiquated U.S. and European respective locks on selecting the leadership of the World Bank and IMF by opening those positions to merit selection. The ultimate test of U.S. commitment to the role of international institutions would be to participate in an international dialogue on how best to restructure the U.N. Security Council to more accurately reflect the world of the 21st century.

Climate and the environment

President-elect Biden has committed to rejoining the Paris Climate Accord and the rest of the world to address the existential threat of climate and environmental challenges. He well may become known as the "environmental president". The heightened role he expects his administration to play in climate issues is demonstrated by his early announcement of highly experienced and respected officials to two newly created high level positions, former Secretary of State John Kerry to a new cabinet-level post of Climate Envoy and former EPA director Gina McCarthy to the new position of White House climate coordinator, an unprecedented elevation of how the U.S. will address a global good. Early on their agenda will be the climate summit the president-elect has said he will call within 100 days of taking office and the November 2021 COP 26, hosted by the U.K. in Glasgow. This will be the major post-Paris Agreement moment at which countries will grapple to coordinated heightened action on climate. But environmental issues go beyond climate change, which Kerry well knows as the author of environmental legislation and a major driver of the international Agreement on Port State Measures to prevent and report on illegal fishing. A ready opportunity on conservation and biodiversity for the new administration is to endorse the 30x30 initiative to protect at least 30 percent of land and water by 2030, which could be a central topic at the May 2021 Kunming biodiversity COP summit.

The 2030 goals serve as the overarching theme, or frame of reference, for how to address and track progress, not just in developing countries, but in all countries. They provide a common language that allows different nations, different audiences, and different actors to understand how each is approaching common issues. They were endorsed by all countries in 2015, alongside a broad sweep of global civil society and subsequently hundreds of multinational corporations, and even state and local governments here in the United States. For the past four years, the main party missing has been the U.S. federal government. That will change upon Joe Biden assuming the presidency. The Democratic Party platform endorsed the SDGs, and the U.S. likely will join the international partnership of addressing common social, economic, and environmental challenges using the SDG framework. The issue then, which must be addressed early on, is how that translates into the Biden administration encompassing SDG goals in its development policies and programs, and in its foreign policy.

5. Health Security Initiative

COVID-19 has made urgent and essential a comprehensive U.S. global health security strategy that would run parallel and be integrated with a domestic health strategy.

There will be many components of a comprehensive plan. First, recognizing that USAID is the U.S. government agency that has the strategic approach to global health issues and the history and capability to help build health systems in developing countries, USAID should work in close collaboration with Centers for Disease Control and Prevention (CDC) and the Department of State to lead the development of a global health plan. After rejoining the WHO, the administration will also need to restore U.S. funding, leadership, and eventual collaboration with other members to reform and strengthen the organization. Part of re-engaging with the WHO will involve joining much of the rest of the world in committing to participate in the COVAX initiative for vaccine development and distribution. Another element is acting on former USAID Administrator Andrew Natsios's proposal for a pandemic early warning system, possibly joined with GOARN at the WHO and modeled after the successful USAID-sponsored FEWS that for 40 years has anticipated food crisis and thereby reduced the potential magnitude of outbreaks of hunger and starvation.

Expansion of the USAID-supported Global Health Security Agenda to additional countries can widen the expertise and reach in developing the finance required to build comprehensive national health systems. While health security is to be primarily guided by medical and development expertise, diplomacy is an important contributor, and the State Department should designate the appropriate under- or assistant secretary as the responsible official for executing the diplomatic element of the global health security plan.

6. Democracy, human Rights, and corruption

The president-elect has indicated he would return the United States to its traditional role in promoting and defending democracy and human rights around the world, highlighted by calling for a Summit for Democracy. As in other arenas, the credibility of this commitment must start at home by proposing laws, regulations, and programs that correct weaknesses in our own democracy as revealed most poignantly in this latest election. Internationally, it means shoring up our development and diplomatic support for democracy and human rights, including asserting a willingness to rejoin the U.N. Human Rights Council and to exercise leadership there for it to live up to its mandate.

Corruption is the nemeses of democracy and equitable economic growth. Again, the place to start is at home. The U.S. can contribute to the advancement of both democracy and economic prosperity in developing countries by correcting its own policies that facilitate corrupt and hidden practices and deprive countries of their rightful revenues from taxation, and by supporting parallel international actions. As this paper was being finalized, the Congress took a long sought after principal step in this direction. Included in the National Defense Authorization Act of 2021 is a provision entitled “Corporation Transparency Act” requiring companies, with certain exceptions, to report beneficial ownership, thereby removing the veil on who actually owns corporate entities.[16] Additional actions that should be taken include disclosure of country-by-country reporting on taxes and royalties (important for transparency and stemming bribery), collaboration

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16 http://dodd-frank.com/2020/12/12/pending-defense-bill-to-require-reporting-of-beneficial-ownership-of-u-s-private companies/#:~:text=The percent20National percent20Defense percent20Authorization percent20Act,excludes percent20public percent20companies percent20from percent20reporting. https://gfintegrity.org/press-release/in-historic-win-for-beneficial-ownership-transparency-the-senate-passes-the-corporate-transparency-act/

with the OECD BEPS[17] to reduce tax avoidance through minimum taxation in country of origin, and strengthening legal frameworks on capital flight.

Further, in stepping up both State and USAID's work on democracy and human rights, they can build anti-corruption elements into their programming. As an example, the USAID-supported project TAPAS in Ukraine, designed to help improve government functions through e-procurement, has the ancillary effect of removing opportunities for graft, and, according to the government of Ukraine, has saved the country $5.1 billion over nearly six years.

7. Public support

Finally, many presidents and policymakers have made the mistake of assuming that simply making good, rational decisions will garner political and public support. They nearly all have learned the hard way that is seldom the case. What today readily appears to be a shining moment in the history of U.S. international engagement—the Marshall Plan—required senior officials of the Truman administration to travel the country to build the public support that allowed it to squeak through the Congress. Polls consistently show that the American people support helping others—when they are informed how U.S. funds are used and in the context of a collective effort. President-elect Biden has talked about a "middle-class foreign policy". The value of taking the time to explain U.S. global engagement is documented by the 2020 focus group research by the Program for Public Consultation of the School of Public Policy at the University of Maryland. It demonstrates that, depending on the argument employed, pro-foreign aid arguments can result in 59-75 percent of participants supporting helping other countries through foreign assistance.[18]

President-elect Biden and his senior foreign affairs appointees are experienced in the ways of policymaking and the pitfalls of actions poorly explained. As pioneered by the incoming National Security Adviser Jake Sullivan and colleagues in a new Carnegie report[19] on how they engaged American citizens

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17 135 countries are collaborating on "Base Erosion and Profit Sharing"- rules to end tax avoidance through gaps and mismatches in tax regimes.
18 And con arguments can result in up to 70 percent opposition to foreign aid. Stephen Kull, "Americans and U.S. Support for Five Sustainable Development Goals", Program for Public Consultation, School of Public Policy, University of Maryland, July 2020.
19 Salman Ahmed, Jake Sullivan, et al "Making U.S. Foreign Policy Work Better for the Middle Class", Carnegie Endowment for International Peace, 2020.

across the country in a conversation on foreign policy, they need to lay out an international engagement strategy and then sell it to the American people. This will require devoting a portion of their time to traversing the country to meet with citizens in small and large groups, listening to their concerns, and explaining how policies are relevant and benefit middle-class Americans. The task of listening will need to form a centerpiece for renewing American leadership in the world.

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