

*USAPC Washington Report*  
**Interview with Congressman Jim Kolbe**  
**January 2009**

**USAPC: The Bush administration's efforts to reform the U.S. foreign aid system have been both applauded and highly criticized. On the plus side, many aid experts have given high marks to innovations such as the Millennium Challenge Corporation (MCC) and the President's Emergency Program for Aids Relief (PEPFAR). Would you agree that these programs have been well-conceived and should continue?**

**Kolbe:** Yes, the MCC and PEPFAR certainly stand out as part of an outstanding effort on the part of the Bush administration to try innovative mechanisms for delivering foreign assistance. President Bush made very large foreign aid commitments to programs in Afghanistan, Iraq, and Pakistan and other countries as part of the post-9/11 response. But in terms of lasting legacies, the MCC and PEPFAR have been exemplary.

What is interesting about those initiatives is that the Bush administration chose not to launch them within the existing foreign aid structure. My impression is they decided the structure for delivering assistance was broken. When the administration decided it was not possible to get Congress to fix it as they thought it needed to be fixed, they simply went around it by creating new mechanisms.

The advantage of that approach is that the MCC and PEPFAR were radically different structures and proved to be highly successful. But the disadvantage of going outside the existing structure is that it creates a type of Tower of Babel, with one thing piled on top of another so that pretty soon there is a confusing jumble of programs. That's what we have now. But on balance, I would say initiatives like the MCC and PEPFAR certainly have been a "plus."

**USAPC: So however laudable these programs may be, they have complicated coordination and coherence of the U.S. foreign aid system.**

**Kolbe:** Initiatives like the MCC and PEPFAR definitely have complicated coherence and coordination. But I think that was a cost that not only the Bush administration but also Congress decided it was willing to accept in order to make things happen.

**USAPC: Some experts have argued that a key element of any foreign aid reform effort should be the creation of a cabinet-level Department of Development. But you disagree, yes?**

**Kolbe:** I'm not opposed to a Department of Development. But I think that most people who are advocating its creation believe that a cabinet-level agency will take care of the problems plaguing the U.S. foreign aid system. And it simply won't. You must first resolve a host of other issues, such as what the funding levels should be, how the funds will be administered, how to create accountability, and how to improve coordination. Creating a new bureaucratic layer of Secretary of Development in and of itself will not solve the problems.

**USAPC: In testimony before Congress last year, you proposed that some of the problems might be addressed more effectively by streamlining the system. Please elaborate on that.**

**Kolbe:** What I was suggesting then was that I didn't think it was politically practical to create a cabinet-level Secretary of Development. The energy we would expend creating a Department of Development would be better channeled toward creating more coherence in the aid system.

I think there are a lot of things one can do short of creating a new department that would put programs in the right places in a more orderly fashion, consolidate some of these programs, eliminate others that have no purpose whatever, and make sure we are in the right places and have the right people on the ground.

In this regard, I think it makes sense to bring development assistance administered by the Department of Defense, which constitutes almost a fifth of our total foreign aid, into the State Department.

**USAPC: Some experts contend that China is outpacing the United States in both humanitarian and capital investments. How should the United States respond to the "Chinese challenge" in foreign assistance?**

**Kolbe:** We shouldn't build our aid program or measure it based on what the Chinese are doing. What we should have is a coordinated, cohesive, coherent program that speaks for itself and stands on its own two feet.

People tend to over-state the so-called "Chinese menace" in foreign assistance. Yes, China has aggressive programs in many countries. These generally are oriented toward steel and concrete infrastructure projects. There are such Chinese infrastructure projects in Africa and Southeast Asia. But I think the actual success of Chinese projects in some of those countries is a mixed bag.

By the way, China's involvement in Africa is not new despite all of the hype it has been receiving of late. Its presence in Africa goes back to the time when Taiwan and the People's Republic of China were battling for recognition by the newly independent African countries. They would each shower goods upon these countries, and for a while, they'd get a country to recognize one of them but the other would provide even more assistance, and the diplomatic recognition would switch to the other side. So China's influence in African development programs goes back many years.

**USAPC: Do you think bilateral cooperation with the Chinese on specific development projects would be worthwhile?**

**Kolbe:** This potentially would be worthwhile, depending on how amenable the Chinese would be to entering into such arrangements with the United States. My impression is that Beijing is showing a new willingness to become more of a development partner of the United States. Chinese representatives now participate in regular country-level meetings, which involve aid officials from several major donor nations who meet for the purpose of coordinating development activities in a particular country.

**USAPC: You have written about the need to complement development policy with a liberal trade policy to better ensure sustainable economic development. But with the collapse of the Doha Round and decline of the global economy more generally, how do we promote that linkage to Members of Congress and our trading partners?**

**Kolbe:** This should be easy, but it isn't. The beneficial link between aid and trade seems obvious on its face. It was interesting that a few weeks ago a majority of Senators and more than one-third of the House of Representatives signed a letter to then President-elect Obama, urging him to proceed with a plan begun under President Bush to double our level of foreign assistance. They took this position even in the face of what obviously is a severe recession. So there appears to be strong support for expanding our foreign assistance efforts. The trick is to get legislators to understand that without trade, without the access to the markets of countries like the United States and Europe, these developing countries won't have the opportunity to grow their economies. As a consequence, the assistance we provide will be largely ineffective. But I haven't figured out the key to making this link obvious.

**USAPC: Related to this, in your congressional testimony you also described challenges the new Congress and the Obama administration likely would face in building U.S. public support for an expanded, albeit revamped foreign assistance program during these trying economic times. You observed a country turning inward. How would you advise new Members of Congress to address this issue with their constituents?**

**Kolbe:** One might simply argue that foreign assistance is part of our national security strategy. That certainly was the case when we were fighting a Cold War with the former Soviet Union. But that rationale became a little cloudy and difficult to offer when the Cold War ended.

The September 11 attacks on this country once again made the national security argument a compelling one. Members could argue that our foreign aid programs in specific countries were part of the broader war against terrorism. But as support for the war in Iraq waned and national anxiety about operations in both Iraq and Afghanistan grew, that argument lost its resonance at the grass roots.

So what is the argument you present to constituents? There are two elements. The first is the "moral argument" that foreign assistance is important because the United States has a moral responsibility to help those in need elsewhere in the world.

The second is that foreign aid continues to be important for reasons related to national security. If the United States provides schools and roads and ways for people to earn their own living, that is to say, provides them with the tools to produce agricultural items or light manufacturing, then that ultimately is in our national interest. Aid recipients would feel they have hope for a better economic life. But it is not only the donor countries who must act; recipient countries have to be willing to make economic reforms and open their markets. So trade liberalization becomes a piece of this foreign aid package as well.

**USAPC: Of the total aid budget, U.S. foreign assistance to East Asian and Pacific Islands nations ranks fairly low. Bush administration officials have justified the low levels of aid to the Asia Pacific on grounds that this region has faced far fewer problems and challenges than, say, Central Asia, the Middle East, or Africa. Do you think those priorities**

**are appropriate? To “do right” by our friends in Asia, do we simply need a much larger foreign aid budget?**

**Kolbe:** The Bush administration, in fact, increased the overall aid budget dramatically, but that doesn't mean that we have been spending it better. Increasing the dollar amount of foreign aid is not the answer. We must ensure that the dollars will be spent wisely and will have a long-term favorable impact. In that regard, resources devoted to initiatives like the MCC has been money well spent. But in terms of our traditional foreign aid, we still do not have the kinds of programs we need to assess, evaluate, and monitor development assistance, and particularly to watch out for corruption.

I agree that we must establish national security-related priorities. As I said, there are some things we do based on humanitarian concerns. So even if Indonesia, for example, does not rank as high on the list of aid recipients as Afghanistan, if a tsunami hits as it did in 2004 and hundreds of thousands of people are left homeless and suffering, then yes, we can and should respond to that. But there always will be national security concerns, and it simply is unrealistic to suggest that that won't continue to influence the prioritization of our aid budget.