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A Memo to the Next President:

Promoting American Interests through Smarter, More Strategic Global Policies

October 2008

This paper was prepared under the direction of John W. Sewell, Senior Scholar, and Karin Bencala, Program Assistant, at the Woodrow Wilson International Center for Scholars.

The paper benefited greatly from the discussions with a group of experts and policy scholars with long experience in dealing with the role of development in American foreign policy. The group met regularly at the Wilson Center in the spring of this year to debate issues and approaches. The participants in the group included:

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To: The President

Subject: Smarter, More Strategic and Integrated Global Policies to Promote American Interests

Date: October 1, 2008

Your Administration faces a set of immediate foreign policy decisions, starting with how to address the inherited problems of Iraq and Afghanistan. You also face a set of unavoidable international challenges that pose both threats to, and opportunities for, long-term American national interests. You will not be able to address these issues unless your Administration elevates the importance of promoting global economic, social, and political development.

These challenges demand priority attention. The most pressing are U.S. jobs and economic growth, energy supply, climate change, food security, global health threats, institution-building and governance, and global poverty. Some still think of these as far-off problems to be addressed on another day; they are not. Not only do they stand alone as major issues, but they are also connected in their causes and solutions. A focus on one development issue in isolation is no longer adequate. You cannot address one without affecting the others. These issues cannot be avoided; they already are on the policy agenda. The sooner you put new policies and programs in place, the lower the costs of dealing with them will be.

As it stands now, the government is ill-equipped to use a diverse set of development tools to benefit the United States and the broader global community. Existing development capacities are spread throughout the executive branch and, in some cases, are in the private sector. (Currently 12 government departments, 25 government agencies, and almost 60 government offices are involved in making and implementing polices that impact these issues). There is no central oversight of priority-setting, planning, budgeting, implementation, or evaluation. Often, initiatives undertaken by one agency are undercut by actions of another. Organizational and human capacities have atrophied. Essentially, no one is in charge.

To address these vital issues and the gaps in government capacity, a comprehensive strategy is required. Moreover, someone needs to be given the authority to design and implement such a strategy.

Here is a short list of actions that your Administration can take to grapple with these global issues:

1. Immediately **appoint a high-level, respected individual in the White House** with the mandate and authority to develop and implement a comprehensive strategy. The ideal candidate for this position will have experience coordinating disparate groups of people and organizations; be knowledgeable on a variety of global issues, U.S. government agencies, and current development initiatives; and have demonstrated success in complex strategy implementation.

2. Under the leadership of the appointed official, a number of steps need to be taken to **develop a new strategy**:

- Convene key members of Congress, particularly the key authorizing and appropriating committees, to consult on

overall goals, priorities, and implementation. The group should be small, not more than 20 people. If possible, Congress should be involved in determining the structure of this group to maximize efficiency and results.

- Convene a working group of issue experts; top agency officials; and representatives from NGOs, academic institutions, and the private sector who are currently involved in implementing solutions.
- Determine objectives for each issue – keeping in mind how each is connected to the others, both in terms of what causes the problems and how solutions can have multiple benefits.
- Conduct an assessment of the factors that drive each problem and review what is being done to address these factors. Determine which initiatives work best and which are not having the desired impact. A reassessment of the balance between civil and military programs is particularly important.
- Examine existing U.S. policies to ensure they do not unintentionally have adverse affects on poor countries or other U.S. interests. For instance, domestic agricultural subsidies and other trade barriers now prevent poor countries from taking advantage of American markets.
- Set priorities for action. Criteria for doing so could include addressing the problem with the most dire consequences if no action is taken, actions that will have the highest return on investment, actions that will have far-reaching and diffuse benefits, and/or addressing problems in priority countries or regions, making sure to balance short-term needs and long-term interests.
- Until this review is completed, notify your cabinet appointees that no organizational changes should be made.

3. **Implement the strategy.**

- Decide which current programs fit the goals of the new strategy, and therefore should be strengthened, and which new ones are needed.
- Identify all available assets – both in the government and in the private sector – and draft a plan for how they can help address the strategic goals.
- Mobilize public support through a communications program designed to explain how these issues impact U.S. national interests and why addressing them will result in a more effective U.S. role in global affairs.

Strategic Planning in a Changed Political Environment

A new strategy must reflect the changes that have taken place as a result of globalization and the development progress made over past decades. Many developing countries now are important players in the global economy and have to be integrated into the international system (a number have their own aid programs). These countries have much greater capacities to manage their own affairs – for better and for worse.

The United States is likely to remain very powerful, especially militarily. But on development issues, it is only one player among many. Additionally, there are new private actors that dwarf traditional foreign aid – transnational corporations, banks and sovereign investors, pension fund managers, foundations, and international NGOs. As a result, your Administration needs to be smart and strategic about mobilizing in new and different ways in order to engage governments, corporations, universities, foundations, and civil society, as is currently being done to deal with HIV/AIDS. It also needs to identify ways to leverage resources and commitments from other countries as part of a strategy to further American national interests and restore American leadership.

Much of the current debate around development policy focuses on reform of foreign aid. But dealing with health threats or climate change has to involve, not only foreign policy decisions, but also policies usually thought of as strictly domestic. For instance, important U.S. capacities to deal with global health challenges are spread among the Department of Human and Health Services, the Centers of Disease Control, and the National Institutes of Health.

Once U.S. national interest goals have been set and a strategy developed, reorganization and integration of existing foreign affairs activities will be essential. A number of useful reports have focused specifically on these issues and have provided options for dealing with them.

The Stakes are High

Failure to deal with these global issues is already incurring growing costs. The prospects for the global economy are highly uncertain. After a long period of spectacular growth and stable prices, most analysts conclude that in the period ahead economic growth will slow and inflation will increase. The prices of oil and food will continue at high levels and, in the absence of new policies, may even increase. The impact on development and stability in much of the emerging and developing world could be considerable, including the risk of political pressures threatening still-fragile democracies in critical developing countries. Poverty would deepen, elevating the need for increased aid. Furthermore, slower growth in developing countries will adversely affect American exports and jobs.

Total world energy needs are projected to grow by 50 per cent by 2030. Developing countries (including India and China) are likely to contribute roughly three-quarters of the increase. The impact on both global supply and consumer prices will be substantial. The United States can use a wide range of policies to assist poorer countries in adopting more efficient, less costly, and development-friendly energy technologies, thereby helping to cut additional demand for oil. Such an energy strategy would not only help to meet the world's growing demand for energy; it also could create an estimated five million new "green-collar" domestic jobs, jump start the U.S. economy, and combat global climate change by claiming a leadership position in the clean energy industry.

Energy policy and climate policy are closely related. Measures to slow climate change by reducing carbon emissions must be put in place in the next few years if abrupt and irreversible changes are to be avoided. Action by the United States is essential in and of itself, but some developing countries are already important emitters of greenhouse gases and others will join them in the next decade. Developing countries are both important contributors to these problems and have to be a major part of their solution. A number of proposals (including some now in Congress) already are in the planning stage to help developing countries plan and finance an energy transition.

Higher food prices are hurting millions of poor people, who use most of their income to buy food. Food riots in more than 30 countries reflect the negative impact of higher prices. The situation has been exacerbated by unanticipated rises in oil prices, increased use of food crops for biofuel production, rising incomes and consumption in Asia, and lagging agricultural productivity in places such as sub-Saharan Africa. To avoid continued crisis, agricultural investments and renewed efforts in agricultural science and technology development, must be a priority. New investments in infrastructure are also needed to reduce production and transportation costs and increase the efficiency of markets. Without these changes, food prices – and conflicts – will only increase, slowing, and perhaps even reversing, the human development gains of past years.

Global health challenges range from the real possibility of a global pandemic such as avian influenza or SARS; to the worsening of existing health threats such as HIV/AIDS, TB, and malaria; and the spread of long-standing diseases

like polio. Since 1973, at least 30 previously unknown diseases have emerged, most of them in the developing world. While HIV/AIDS dominates current efforts, other health issues are receiving far from sufficient attention. Most poorer countries lack the resources, capacities, and infrastructure to successfully manage current health problems and track new epidemics. Addressing health concerns in developing countries is not only the right thing to do, but also is a means to protect our own citizens from transnational diseases, to lower health risks to U.S. armed forces overseas, and to help to diminish poverty.

The nexus of **failing states and internal conflicts** will continue to affect American interests in the years ahead. Terrorism, the drug trade, and international crime are all risks associated with conflict in the poorest countries. In addition, conflict and weak states make it more difficult to deal with global problems such as environmental degradation, the spread of new and old diseases, and the spread of transnational crime.

A few large countries, notably India and China, are on track to **eliminate absolute poverty** in the next few decades. But despite considerable human progress, unacceptable levels of human poverty persist in a large number of smaller states with limited capacities to address them. Eliminating poverty (particularly among women) is not only a question of bedrock American values; it also advances American economic, political, and security interests; and could significantly improve our international reputation.

To deal with all these problems, the U.S. needs to help create competent partners – states with governments that have the capacity to manage their own affairs and cooperate on addressing global problems, in which rights and freedoms are guaranteed, and in which people feel they have a voice in the policies that affect them.

A Historic Opportunity

Your Administration has a historic opportunity. An earlier generation of Americans faced a similar challenge after World War II. Having experienced the Great Depression and two global wars, the people of this generation developed a bold vision of what the world should look like. Driven by American interests and American values, they created a broad political consensus that international economic growth and the improved well-being of men, women, and children were important goals of American foreign policy. This consensus was mirrored by a social compact in the United States (and other industrial countries) that generated strong political support for a foreign policy that was designed to promote long-term American interests. The benefits in terms of growth, prosperity, and the extension of freedom have been great. And the costs, both financial and political, were justified on the grounds of enhancing American security and furthering core American values.

Today we need a response of similar magnitude, vision, and statesmanship. The challenge of this century is to ensure that the benefits of a growing global economy are broadly shared, so that the international system and institutions work well not only for the United States but also for the majority of the world's people.