



## **“Can Foreign Aid Help Win the War on Terror?”**

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Comments on

*Strategic Foreign Assistance: Civil Society and International Security*, by  
A. Lawrence Chickering, Isobel Coleman, P. Edward Haley, and Emily Vargas-Baron  
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I'd like to thank Vance Serchuk for inviting me to participate in this timely meeting and giving me a chance to reflect on this important work. Having known and admired one of the co-authors, Isobel Coleman, since our days at Oxford, I'm especially pleased to offer comments.

As Vance noted, I run the Weak States and US National Security project at the Center for Global Development. CGD's decision to launch this project testifies to the recognition – spanning the development, diplomatic and security communities – that economic stagnation, authoritarian misrule, and weak institutions are closely linked with political instability, extremism, and violent conflict. As CGD observed in its 2004 report *On the Brink: Weak States and U.S. National Security*, fragile and failed states are both a core development challenge and an increasing source of transnational threats to U.S. and global security.

The foreign policy community is belatedly acknowledging that traditional policy instruments and approaches have not addressed the sources of poor governance and economic stagnation in the developing world, not least the broader Middle East. The recent trend in foreign aid has been to use aid to reward so-called “good performers,” along the lines of the MCA -- on the grounds that foreign aid is most effective in good policy and institutional environments. What has been lacking is a parallel strategy for engaging poorly performing countries whose governments are either (i) insufficiently committed to reform or (ii) lack the capacities to meet their responsibilities to their own citizens and the international community.

An inherent difficulty in engaging such countries is that aid is often ineffective where will and capacity are non-existent. We need to find ways of using aid more creatively, and of integrating non-aid instruments into a coherent strategy. The quest for a new approach is a major preoccupation not only of the US but our OECD allies, the World Bank, and the UN.

*Strategic Foreign Assistance* identifies a key dimension of any effective strategy -- greater support for civil society organizations (CSOs) that can build the human, economic and social capital and the political momentum required for transformational development and democratic change. It offers persuasive examples of pragmatic interventions that are (a) relatively inexpensive, (b) have a proven track record, (c) require minimal state intervention or bureaucracy, and (d) empower individuals and local communities to act in their own interests. As the authors note, this agenda can unite conservatives and progressives alike.

What I'd like to do is to offer a few thoughts on the theme of this event, and then specific comments on the manuscript. Let's begin with the title of this gathering: "Can Foreign Aid Help Win the War on Terror?" If we're serious about answering this question, we need to get specific about what we mean by both "foreign aid" and "the war on terror," and explicit about the presumed causal connections between external assistance and political extremism.

First, what do we mean by "Foreign Aid"? There's a tendency to lump all foreign aid into a single basket and make blanket assertions about its effectiveness. In reality, aid takes divergent forms -- from technical assistance to budget support to debt forgiveness to service delivery to infrastructure. It also has varying objectives -- from police training to military support to democracy promotion to narcotics eradication to payoffs to allies to development assistance (or ODA) that aims to advance long-term growth and social welfare.

Since World War II, it has been common to dismiss all foreign assistance as (in the immortal words of Senator Robert Taft) simply "pouring money down a rat hole." But assessments of aid "effectiveness" must be linked to the *purposes* of aid. During the Cold War, much foreign aid had little impact on development -- at best a secondary goal, behind geopolitics. In today's discussion, I will presume that "aid" means development assistance.

Second, we need to clarify what we mean by the "war on terror": In both Afghanistan and Iraq, there has been a tendency -- frankly encouraged by the Bush Administration -- to conflate "terrorists" and "insurgents." This lumps together (1) insurgents who use terrorist means in pursuit of nationalist or sectarian aims with (2) a smaller group of transnational jihadists of an al Qaeda variant, inspired by the Salaafist brand of Wahabbi Islam, who seek a global Caliphate stretching from Spain to Indonesia. Blurring the distinction can make it difficult to identify the enemy, understand his political motivations, and craft a response.

If our primary concern is insurgency, the main question becomes whether outside aid can win the "hearts and minds" of citizens. If it is diminishing the transnational terrorism, it is whether aid can reduce the underlying taproots of political extremism in the Muslim World. I will assume that it is this latter challenge that most interests us here.

The idea that aid can reduce support for al Qaeda rests on a number of causal assumptions:

First, it presumes that the root causes of transnational terrorism are to be found, at least in part, in economic stagnation and political oppression. The White House's strategy for combating terrorism makes this assumption, explicitly speaking of "diminishing the underlying conditions terrorists exploit," including "poverty, social disenfranchisement,... and weak state structures."

*Strategic Foreign Assistance* similarly argues that terrorism has “both objective causes (poverty and unemployment)” and “subjective causes (alienation and humiliation)” and that CSOs can address both by fostering development, empowerment, and connection. There is of course little scholarly (much less political) consensus on the relative roles of poverty, inequality, marginalization, and political alienation in motivating transnational terrorism. Still, it seems likely that stalled development provides a permissive social foundation for what the intelligence community call the “Ziggurat of Zealotry.”

Second, the argument assumes modest external resources can ameliorate these underlying conditions. President Bush took this position when he told the UNGA in September, “We must help raise up the failing states and stagnant societies that provide fertile ground for terrorists.” But is the administration actually putting its money where its mouth is? The 2002 NSS claimed that the US was now more threatened by weak and failing states than by conquering ones. Yet there remains a gross misalignment between this threat perception and the federal budget -- which provides unlimited resources to the military and little to diplomatic and development efforts that can actually have an impact in the world’s WFS. Beyond Iraq, Afghanistan and Pakistan, little of the 150 Account goes to development and democracy in fragile states. And despite the administration’s Wilsonian rhetoric about a “generational struggle,” funds for democracy promotion in Iraq and the ME remain meager.

### **Comments on the Manuscript**

As I noted, I think this manuscript makes an important contribution by pointing out the underappreciated role of CSOs in advancing broad U.S. objectives in troubled countries. That said, I want to point out a few areas where I think the manuscript could be strengthened or its arguments qualified. I’ll begin with a couple of methodological points.

First, the manuscript lacks data on current U.S. efforts. You argue that “the US is not funding civil society initiatives in different areas of economic and political need at nearly the levels of their strategic value.” This may be, but with no figures provided to substantiate this claim, the reader remains in the dark about current efforts by USAID, MEPI, the Freedom Support Act, the Human Rights and Democracy Fund, etc. Without data on the magnitude of current civil society efforts, your recommendations exist in a vacuum.

Second, I think the argument should be embedded in existing literature on role of CSOs. I think you exaggerate the lack of attention to CSOs in foreign policy and scholarly journals: this has been something of a growth industry in recent years, and it would be useful to have a better sense about how your work fits into – and expands on -- this literature.

I have a few other comments on the overall conceptual framework, as well as causal assumptions and normative and policy prescriptions.

First, I’d like more detail about how you define and conceive of “Civil Society.” There’s an implicit assumption in the manuscript, consistent with the tenets of classical liberalism, that civic associations naturally temper extremist goals, advance tolerance and mutual understanding, and facilitate the peaceful adjustment of differences. Accordingly, you write “increased focus on

civil society should deepen connections with citizens in the failed, weak, and/or fragile states that harbor terrorists, and it will identify many citizens of other countries who will work with us.” The message seems to be (as Robert Putnam might say) that the Middle East needs a few more bowling leagues. But civil society is a mixed bag: the universe of private citizen associations/groups includes a lot of “un-civil” society actors – whether religiously motivated charities, or political movements, like Hamas, that compensate for state failure by providing social services – and may be part of the problem from a U.S. perspective. Would you at least favor eligibility criteria for US assistance, or codes of conduct?

Second, the links between CSOs and terrorism remain unclear in your analysis: The manuscript builds a strong case that engaging CSOs in a variety of fields – economic empowerment, girl’s education, and track 2 diplomacy – enhance development and democracy and reduce conflict. It is less persuasive in claiming that a strong civil society is “an antidote to terrorism.” This may be inevitable, as the connection between civil society (or its absence) and terrorism are likely to be indirect, with a number of intervening links in a causal chain.

Third, I think you could also address more effectively the potential tension between the “strategic” use of foreign assistance and the principle of “local ownership.” As you write, the challenge is “not that foreign policy should try to pull CSOs away from their missions, but that foreign policy should embrace and support many key CSO objectives.” Your emphasis on authenticity and local ownership suggests that the USG will need to show greater tolerance than it sometimes does for local initiatives that diverge from US preferences. It also points to a trade-off between the *development effectiveness* of U.S. aid, on the one hand, and the *public diplomacy benefit* that the United States should seek to get from it. As you rightly recognize, too close a U.S. embrace of foreign civil society partners risks undercutting their efforts, making them appear as surrogates for U.S. policy. Indeed, in some highly adversarial environments, should the United States support CSOs *covertly*?

More broadly, the manuscript skirts the inevitable tensions between using aid for “national security” and traditional “development” purposes. While reducing extremism and poverty are presumably mutually reinforcing in the long run, there may be short-term trade-offs, as “Freedom from fear” (*for us*) trumps “freedom from want” (*for them*). The big concern in the development community – and one that should arguably be shared by anybody with a long-term vision -- is that political expediency and immediacy will shift resources and attention away from the long-term slog of nurturing effective indigenous institutions.

Fifth, I think it would be a mistake to depict support for civil society organizations and *state-building* as mutually exclusive undertakings. In many parts of the developing world, what is missing is an effective, accountable state that can provide the essential political, legal and regulatory framework for security, stability, basic social welfare and economic activity. CSOs can provide some services and mobilize coalitions for political change but cannot substitute for many state functions like the provision of security and the rule of law. The imperative of state-building is at the core of the administration’s Foreign Assistance Reform, designed to help “*build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.*” As Frank Fukuyama notes, this

agenda may cause cognitive dissonance for those who during the 1980s and 1990s came to see the “state” as something to be gotten out of the way.

In practice, the relative weight the US places on state-building and on CSOs will vary with context, including the (1) existing capacity of the state and (2) its political legitimacy or commitment to good governance. It might be useful to think of a simple 2 by 2 matrix placing countries into four categories, depending on their relative capacity and legitimacy, and consider the policy implications for working through the government and civil society in each case.

Six, which types of CSO activities -- and which countries -- should we focus on? I applaud your call for selectivity, but it is unclear why the sectors you have chosen (gender, track 2 peace efforts, capitalizing the poor, engaging in nation-building) provide more bang -- or, if you will, “non-bang” -- for the buck. Your choice of focus countries also needs justification. Are the selection criteria shaped by the “GWOT,” or the wider dangers of state failure?

Seventh, U.S. support for CSOs needs to be embedded in an integrated approach. Your call for coherent country plans is important. But any support for CSOs should be linked to the entire panoply of US government engagement in those countries, including other forms of aid *and* the important non-aid instruments, including diplomacy, trade, and intelligence. Recent steps toward foreign aid reform -- which will permit the Director of Foreign Assistance to shift most of U.S. foreign assistance across countries and sectors -- may introduce greater strategic coherence on the aid front, to ensure that resource outlays are more closely tied to U.S. overall foreign policy goals.<sup>1</sup> (.]

Eighth, your proposed scheme needs an evaluation component: As my colleague Ruth Levine points out, the Achilles’ heel of aid efforts is insufficient monitoring and evaluation of impact, as opposed to inputs or outputs. To discover “what works,” you will need to decide what would constitute “success” in your mind (lack of terrorism? A free market? A democratic opening?) -- and measurable targets and benchmarks against which to measure progress.

Finally, two specific comments on your emphasis on girls’ education and empowering women. I agree, with a couple of caveats:

- First, in certain fragile, conflict-prone and post-conflict environments, there may be a trade-off between (a) advancing long-term societal change by empowering women and (b) giving prompt attention to alienated males. In the short term, it may make sense to prioritize unemployed young men, through jobs programs, DDR projects, and the like.
- Second, you propose that “Respect for women’s rights should become a more explicit component of conditionality for U.S. military and economic aid.” I would sound caution here, given possible backlash. We already link access to aid to performance on trafficking in persons, drugs, or counter-terrorism. Adding a gender hurdle might be perceived as

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<sup>1</sup> Provided U.S. officials keep an eye on the *long term* nature of this enterprise, US policy can help bolster institutions that both address U.S. security *and political and economic development*. One worrisome aspect of the reform is the lack of a specific category for weak and failing states, although they do include a category for post-conflict (“rebuilding”) states and outposts of tyranny (“reforming” states).

very heavy handed and undercut wider foreign policy aims. A better idea would be to ramp up the Office of International Womens' Issues at the State Department, currently funded at window-dressing levels, and do more comprehensive reporting on the status of women. Adding a gender criterion to the MCA could also make sense.