

Speak softly and carry a big wallet

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A new man at America's aid agency

RANDALL TOBIAS, the White House's nominee to head America's foreign-aid efforts, is a big businessman with a heart—not the first of that type to win George Bush's favour. His 2003 memoir argues that businessmen often skirt around big issues that are awkward to face squarely. Lots of metaphors are available to illustrate such a problem: the elephant in the room, for example. But Mr Tobias chose to invent one of his own: “Put the moose on the table”, he urged his readers.

Last year politicians and campaigners put global poverty smack on the table. But in the first month of 2006, aidniks have had to face the awkward realities of politics, both in countries that receive money and in those that give it. The World Bank has pulled the plug on Chad, where it has part-financed an oil pipeline, because the government has unpicked the elaborate safeguards meant to ensure the country's oil revenues are well used. And Britain this month decided it could no longer bankroll Ethiopia's government, an aid darling only last spring that has since imprisoned demonstrators and murdered protesters.

Meanwhile, last week Condoleezza Rice, America's secretary of state, announced a tightening of the reins on America's aid. “It is impossible to draw neat, clear lines between our security interests, our development efforts and our democratic ideals,” she said. America's aid officers are therefore to be press-ganged into the cause of “transformational diplomacy”, which concerns itself with the “characters of regimes” rather than just international relations.

Since the Twin Towers fell in September 2001, many have worried that America's aid money would be diverted from combating poverty to fighting militancy; that it would be used to buy allies, not reward reformers. But according to a recent study by the Centre for Global Development (CGD), a Washington think-tank, there is little evidence that the war on terror has greatly distorted America's aid effort. The money it has spent on Iraq, Afghanistan and Pakistan was mostly added to the aid pot, not pilfered from it, they argue.

Under Ms Rice's regime, Mr Tobias will hold the new position of Director of Foreign Assistance. Tucked more closely under the wing of the State Department, he will run the United States Agency for International Development (USAID) and also provide “overall leadership”, as far as the law allows, for the disparate funds, initiatives and corporations that have sprouted on USAID's turf. (Mr Tobias has run one of these, the President's Emergency Plan for AIDS Relief, since October 2003.)

He will have his work cut out. "Bureaucratically fragmented, awkward and slow," is how President Kennedy described America's foreign-aid effort when he inaugurated USAID in 1961, and much the same might be said of it today. Now, as then, "its administration is diffused over a haphazard and irrational structure" that spans as many as 50 distinct government units, by the OECD's count.

But worse than this institutional fragmentation is the intellectual disarray that still haunts the aid industry. Development may depend on the "character of regimes", as Ms Rice argues, but no one knows how to transform them from without, whether by aid or diplomacy. The aid fraternity has persuaded the denizens of Foggy Bottom that development matters. But they have yet to demonstrate that they can reliably engineer it. A moose for Mr Tobias to put on the table, perhaps.