

Statement of Senator Daniel K. Akaka
Subcommittee on Oversight of Government Management, the Federal Workforce,
and the District of Columbia
“A Reliance on Smart Power – Reforming the Foreign Assistance Bureaucracy”
July 31, 2008

This is the fourth in a series of hearings exploring the effectiveness and efficiency of government management of our national security. The first hearing looked at reforms of the U.S. export control system. Subsequent hearings examined the management and staffing of the arms control, counterproliferation, and nonproliferation bureaucracy at the Department of State. Today we focus on our foreign assistance programs.

Foreign assistance includes economic development, security, humanitarian, disaster response, health, and governance programs. We have helped other nations through our foreign assistance programs for over 60 years. During the late 1940's and early 1950's, countries in Western Europe benefited from the Marshall Plan as they rebuilt themselves after World War II. President John F. Kennedy signed the Foreign Assistance Act into law in 1961 in response to the American desire to help others.

Foreign aid programs continue to be a vital part of our foreign policy strategy. The devastation of 9-11 was a demonstration that what happens in failed states can bring terrible tragedy to Americans. Al-Qaeda was free to plot in one failed state – Afghanistan. Our national security depends on how well we help failed states recover.

In the words of Secretary of Defense Robert Gates, “organization charts, institutions, statistics, structures, regulations, policies, committees, and all the rest – the bureaucracy, if you will – are the necessary pre-condition for effective government. But whether or not it really works depends upon the people and their relationships.” Policy is not enough. Organizations and people do matter. Good policy depends on capable organizations.

My primary goal in this hearing is to identify possible recommendations for improving the foreign assistance bureaucracy. The key components I ask our witnesses to address in their remarks are the human capital, management, coordination, and structural challenges that reduce the effectiveness and efficiency of U.S. foreign assistance.

We need to ensure that we have an organization with the capacity to support the foreign assistance policies of this Administration and the next.

In 2006, Secretary of State Condoleezza Rice announced a new direction for U.S. foreign assistance in order to align U.S. foreign assistance programs with the Administration's foreign policy goals. Secretary Rice announced the creation of a new Deputy Secretary level position, the Director of Foreign Assistance, who would also serve at the same time as USAID's Administrator, although this has not been established in statute.

This new foreign assistance bureaucracy confronts a number of challenges: the steep decrease in USAID Foreign Service Officer staffing from 1967 until today, the fragmentation of foreign assistance among many agencies and programs, and the amount of development assistance not under the direct control of the Director of Foreign Assistance. The challenges are clear. We need to:

- design a national strategy for foreign assistance with a clear mission and the means to accomplish it;
- streamline aid programs to ensure effectiveness and efficiency;
- simplify foreign assistance since there are too many programs, in too many departments, chasing too few dollars;
- reduce the role of the Department of Defense in foreign assistance as their involvement may come at a cost of supporting their own core mission; and finally we need to
- improve USAID's human capital because its current staffing and training levels do not support its worldwide requirements adequately.

Clarifying the key foreign assistance organizational and human capital issues will help the next Administration better focus its efforts and further strengthen U.S. national security. I look forward to hearing from our witnesses on these matters.

