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A Review of  
"Congressional Strategies for  
Development Cooperation Initiatives"

by

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September, 1988

Prepared by

Center for Research on Economic Development

In partial fulfillment of

Contract #PDC-0180-0-00-8121-00

Bureau of Program and Policy Coordination

U.S. Agency for International Development

Congressional Strategies for Development Cooperation Initiatives  
Ted Weihe

OVERVIEW

This is primarily a descriptive paper of the mechanics of congressional legislation, specifically foreign assistance legislation.

Weihe provides the lay reader with a description of congressional legislative processes within which foreign assistance reforms would be initiated under the new Administration. The roles of the budget, authorization, and appropriations committees of the House and Senate are discussed. In Weihe's view, what is needed is a clear "rallying concept" of foreign assistance policy which is bipartisan and pulls conservative and liberal critics of foreign assistance towards a consensus for change. The appropriate congressional strategies for reforms will emerge from this consensus. Having discussed the procedures, both in theory and in practice, Weihe outlines the steps to be considered in developing a foreign assistance policy reform strategy. Finally, the author offers five strategic options for influencing foreign assistance policy within the new Administration.

HIGHLIGHTS OF DISCUSSION ON LEGISLATIVE PROCESSES

Budget -- Funds for the 150 international affairs accounts are generally discretionary and therefore come under close scrutiny in trying to balance the federal budget. 1988 was the only example of an increase in foreign assistance budget figures after approval of the budget resolution. This, according to the author, points to the possibility for stabilizing the continuing decline in budget figures through accommodation between the legislative and executive branches.

Authorization -- House Foreign Affairs and Senate Foreign Relations Committees have not successfully passed an authorization bill since 1985. Because of the Continuing Resolution process, authorization committees have become less significant.

Appropriations -- Since 1981, the last year in which an appropriations bill was enacted, foreign assistance has been tucked into Continuing Resolutions. Foreign assistance is, thus determined on a year-to-year basis outside of a longer term policy framework. Since foreign assistance is not debated on House and Senate floors, there is less opportunity to educate members of Congress who do not serve on the key foreign policy committees on the value of foreign assistance.

Foreign Assistance Initiatives

Before proposing program strategies for the new Administration, Weihe cites several historical examples of foreign assistance initiatives. He notes that supplemental appropriations bills have been the backdoor means of many funding initiatives. Furthermore, rather than modify the basic structure of the Foreign Assistance Act of 1961 to reflect changes in the foreign assistance climate, the Act has become encumbered with legislated "barnacles". Weihe sees Congressional and Administrative interest in rewriting the Act, but no consensus on the direction such a rewrite should take. In contemplating a strategy for change, Weihe reminds the reader of the multitude of committees and different congressional routes for legislation which must be considered.

## Strategic Elements

To take advantage of the critical first year of the new Administration, Weihe highlights four stages at which a new foreign assistance reform strategy will be defined. They are: (1) party platforms — the first indicator for changes in foreign assistance focus; (2) transition period — when the selection of key foreign assistance officials is most important; (3) new administration leaders — the head of personnel and policy will be the two most important officials to reach regarding the selection of lower level political appointees; (4) window for new foreign assistance initiatives — the period when new foreign assistance officials will be trying to consolidate their power and looking for new ideas as a way to sell themselves to higher officials.

## Strategic Options

Five options are laid out in the paper:

- (1) Gain reorganization authority of the foreign assistance structure (i.e. authority given to the President to change Administrative arrangements;
- (2) Rewrite the Foreign Assistance Act. Having proposed this option, Weihe seems more optimistic about an incremental approach to change. He recognizes that it will be difficult to get the Hill and Administration to agree quickly on a major rewrite.
- (3) New initiatives. Rather than overhaul the entire foreign assistance program, develop a marketable idea which the President can announce in a major speech and can give a big boost for change. Changes can then be implemented slowly over time.
- (4) Foreign assistance funding. Since the new Administration will inherit the proposed budget for 1989, one strategy might be to postpone efforts for major funding increases until later in the year. At that time, strategists can try to hitch them onto supplemental appropriation bills.
- (5) Internal changes. The greatest opportunity for changes may be through reorganizing the bureaucracy and bringing in new people. Alternatively, responsibilities within the existing structures and legislation could be better sorted out. Weihe stresses that only after determining that existing law and structures cannot implement the reforms should a major effort be invested in comprehensive legislative revisions.

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# Congressional Strategies for Development Cooperation Initiatives

by

Ted Weihe  
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## INTRODUCTION

Development cooperation policy and assistance programs are a partnership between the Administration and Congress. Each has an essential role in setting the general direction for U.S. development programs. Fundamental shifts go through an Administration and a congressional process which requires compromise and bipartisan agreement.

Congress must be given priority attention in what will continue to be called foreign aid or foreign assistance. Congress can be an ally in its modifications or an impediment. Full consultations both ways between the Administration and Congress are essential to build the groundwork prior to development cooperation initiatives. Major outside interests groups may also need to be brought into the process for their support.

The legislative process to achieve new initiatives is complex and not nearly as orderly as the textbook chapters on how a bill is passed into law. Initiatives may originate with either the Administration or Congress. Well-known examples of Administration initiatives are the Camp David Accords, the Caribbean Basin Initiative and the Jackson Plan (Kissinger Commission Report) for Central America. Congressional examples are the basic human needs mandate, Child Survival Fund, African

Development Fund, the African Development Foundation and food aid reforms for development. The origins of initiatives may come from governmental commissions, a special interest by key members of Congress, private witness testimony, think tanks or a combination. They may also come from joint congressional - Administration discussions.

The legislative cycle begins each February as part of the federal budget request by the Administration for foreign assistance funding levels and proposed legislative modifications. This begins a two steps process of oversight hearings and legislation by three kinds of committees: the budget, authorization and appropriations committees. Overall funding within the federal budget is set in a joint resolution by Congress (not signed by the President) and the figures are allocated to the 13 appropriations committees. The authorization committees make recommendations to the budget committees and, then, are supposed to enact an authorization bill prior to the appropriation of funds. But, the process is never this orderly. In general, policy and funding have been incorporated into a special kind of appropriations bill called the Continuing Resolution (CR).

Because of this truncated process, the budget and appropriations committees have become increasingly significant; the policy or authorization Committees, less significant.

BUDGET

The congressional budget process sets the overall framework for allocations of foreign assistance under the 150 international affairs accounts which includes, in addition to foreign assistance and some trade activities, the Department of State and U.S. Information Agency. Funds for the 150 accounts are generally discretionary as opposed to entitlements, thus, they come under close scrutiny in trying to balance the federal budget.

The budget process establishes the baseline for the next and subsequent year funding in what is termed budget authority (total funding commitments over the years) and outlays (actual expenditures per year). Recently, the budget committees have set firm caps resulting major reductions with little flexibility within the Congressional process for higher levels, as noted below (budget authority in billions):

<u>84</u>	<u>85</u>	<u>86</u>	<u>87</u>	<u>88</u>	<u>89</u>
24.55	26.45	16.70	18.70	16.90	16.60

During the early Reagan years, foreign military and security assistance increased dramatically. This increase has been substantially rolled back. Development assistance has remained remarkably steady during the fluctuations in overall budget authority.

Within the budget committees, there have been unsuccessful efforts to increase the budget chairman's initial mark for the 150 accounts. The Chairman's allocation for the 150 accounts is usually arrived at by a formula, often cutting discretionary accounts by a common percentage. The last effort for increasing the account in Committee markup was initiated by Congressmen Paul Simon and Harold Wolpe and they lost 2 to 17. On the House floor, the budget resolution is not subject to amendment so for practical purposes the chairman's initial decision has prevailed.

In the Senate, amendments are permitted to the budget. Senator Richard Lugar has been an eloquent speaker in defining the 150 account. Yet, there have been a number of successful efforts to cut the 150 accounts usually in a tradeoff with a domestic program. The House and Senate passed figures are reconciled in a compromise which has usually taken the higher of the two figures, largely at the urging of the Administration.

At last fall's budget summit between Congress and the Administration, foreign assistance funding for fiscal year 1988 was increased by \$600 million in budget authority and \$200 million in outlays in a complicated arrangement relating to a guaranteed military reserve fund. This is the only example of an increase in foreign assistance budget figures after the approval of the budget resolution. It points to the possibility that an accommodation between the legislative and executive branches is possible for stabilizing the continuing decline in budget figures and even an opportunity for increases in foreign assistance.

AUTHORIZATION

The House Foreign Affairs and Senate Foreign Relations Committees have had great difficulty in passing authorization bills: the previous one was enacted in 1985 for fiscal years 1986 and 1987. Although in November 1987 the House approved an authorization bill for fiscal years 1988 and 1989 by a surprisingly wide margin of 164 votes (286 to 122), it has become bogged down in the Senate.

A free standing authorization bill for multilateral development banks has not reached the floor from the House Banking Committee since early in the Carter Administration. The FY 1983 bill for the International Monetary Fund contained an IDA authorization. The bill passed 217 to 211 in the House with a six vote margin and 55 to 34 in the Senate. It was later rapped into a domestic housing bill to avoid a sure defeat on the House floor as opposition continued to grow against what conservative opponents called "a bailout of U.S. banks."

The major political test of congressional sentiment on foreign assistance is on the House floor; Senate support has been generally higher. Yet, the margin of House passage has been higher than might be expected given the political unpopularity of foreign assistance. Since 1975, the House approval for foreign assistance authorization has averaged 234 for and 157 against for a margin of 74 votes. The level of support is higher for

authorization than appropriations, though in the later case it is difficult to assess today since appropriations bills have not been considered on the floor since 1981. The pattern of support has been relatively steady through the Ford, Carter and Reagan Administrations though the mix foreign assistance votes by the parties will reflect greater support by those of the President's party:

<u>Authorization</u>	<u>Vote</u>	<u>Margin</u>
FY 76-77	224 to 155	69
FY 78	238 to 169	94
FY 79	225 to 148	77
FY 80	220 to 173	47
FY 81	221 to 147	74
FY 82	222 to 184	38
FY 86-87	voice vote	
FY 88-89	286 to 122	164

Congressional support for economic as compared to military foreign assistance has been much debated. The voting pattern in the House on separate and combined authorization bills for military and economic assistance indicates about the same support for both types of foreign assistance. Looking at the above votes, the FY 78, 79 and 80 bills are for economic assistance with vote margins of 94, 77 and 47. The level of support in FY 78 is somewhat higher because of inclusion of a popular land grant university provision which drew a number of southern and conservative votes. On the recombined bill in FY 81, the vote margin is 74 votes. Thus, the evidence suggests that a single or combined bill for economic and military assistance makes only a modest difference in terms of overall House support. The comparable Senate votes on both bill forms are nearly identical (59 to 32 and 58 to 32).

Foreign assistance support in the Senate is higher averaging 57 to 31, nearly two to one margin:

<u>Authorization bill</u>	<u>Vote</u>	<u>Margin</u>
FY 76	54 to 41	13
FY 77	60 to 30	30
FY 78	59 to 32	27
FY 80	voice vote	-
FY 81	58 to 32	26
FY 82	40 to 33	7
FY 86-87	75 to 19	56

Several authorization trends can be noted. The level of partisanship in foreign assistance has increased. For example, recent foreign assistance authorization bills have been opposed by the Administration on a variety of policy and funding issues. The declining level of foreign assistance has pitted conservatives in Congress and within the Administration who are more concerned with security and military levels and a Democratic Congress which has generally wanted higher levels of economic assistance.

The authorizing committees themselves have become more partisan. For example, prior to the election victory of President Reagan and a Republican Senate, the staff of the Senate Foreign Relations Committee had been largely bipartisan. A more partisan split began with the Republican chairman Richard Lugar and has been magnified when Senator Helms became the ranking minority member selecting an ideologically conservative staff.

A group of new conservative Republicans was placed on the House Foreign Affairs Committee in the 100th Congress which, along with staff changes, has made that committee more partisan as well between generally liberal Democrats and conservative Republicans. This partisan division was evidenced when the Republican members opposed the Committee's initial FY 1988 - 89 authorization bill. Even after months of compromise, the members still held back full support, but allowed the bill to go to the floor without a recorded committee vote.

The Boland reforms which resulted in a diffusion of Congressional authority has also affected foreign assistance. Markup in the House Foreign Affairs Committee takes place in eight subcommittees. Thus, the institutional processes in Congress may have led to a tighter circle of appropriations members who can more easily handle politically difficult foreign assistance issues.

The pattern of debate over foreign assistance authorization has also changed as conservative members have developed through own agendas in support of "freedom fighters", more military and security assistance for allies and for the President's foreign policies. Typically, in earlier years, members such as Senator Harry Byrd and Congressman Bob Bauman led broad conservative assaults on foreign assistance by placing hurdles to the legislation with various cutting and restrictive amendments. For example, there were efforts to prohibit indirect funding to communist

countries through the United Nations and multilateral development banks. Such conditions on U.S. contributions are unacceptable to multilateral institutions and would result in their not being able to receive the funds.

The Kissinger Commission recommendations in a minority-led Broomfield substitute demonstrated for one of the first times that an alliance of conservative and moderate members could be put together for foreign assistance. Thus, a coalition of conservative and moderate Republicans and Democrats, rather than the usual combination of liberals and moderates can win major foreign assistance victories.

APPROPRIATIONS

In recent years, foreign assistance appropriations bills, which originate in the House, have not come to either the House or Senate floor, the last one having been enacted in 1981. The margin in final votes for appropriations bills have been less than for authorization:

<u>House Appropriations</u>	<u>Vote</u>	<u>Margin</u>
FY 76	214 to 152	62
FY 77	238 to 169	69
FY 78	208 to 174	34
FY 79	223 to 167	56
FY 80	224 to 183	74
FY 82	199 to 166	33

<u>Senate Appropriations</u>	<u>Vote</u>	<u>Margin</u>
FY 76	52 to 31	21
FY 77	52 to 25	27
FY 78	40 to 27	13
FY 79	39 to 22	17
FY 80	53 to 38	15
FY 82	57 to 33	24

Since 1931, foreign assistance has been tucked into an omnibus Continuing Resolution (CR). The CR goes to the House floor with no provision for foreign assistance amendments. However, in the Senate, there is an open rule and both funding and policy amendments are considered including efforts to cut and pass restrictive amendments. In general, the Senate has placed the greatest number of earmarks and restrictions on foreign assistance programs, both when it was controlled by Republicans and Democrats.

This CR process has constricted the circle of major actors on foreign assistance. The appropriations subcommittees in the House and Senate largely determine foreign assistance policy and allocation and conference their differences in the continuing resolution process. Foreign assistance is, thus, determined on a year-to-year basis outside of a longer term policy framework.

The members of the House and Senate, including those who serve on authorizing committees, have less impact on foreign assistance funding and policy. However, there is an effort by appropriations committees to accommodate popular authorization provisions. For example, the

micro-enterprise provisions -- advocated by the hunger group RESULTS -- and the African Fund supported by private and voluntary organizations were attached to the appropriations bill. Because appropriations bills must be kept short and extensive authorization language is not allowed, the provisions are usually more general. The details appear mostly in report language and are usually worked out in concert with the Administration. An example of the increased power of the appropriations committees occurred in 1987 when the Senate Appropriations Committee included authorization and funding for MEGA, a new private sector finance arm of the InterAmerican Development Bank. This provision was opposed by the authorizing Senate Foreign Relations Committee.

An advantage of the combining of authorization and appropriations in a CR is that unpopular foreign assistance provisions, especially for multilateral banks, can be put in the Senate bill. Then, when the CR goes to the House floor for approval, there is no opportunity for a vote where there is probably insufficient support.

In earlier years, the House and Senate conference has seen tradeoffs between the House Appropriations Committee which provided higher levels for economic assistance and the Senate, with higher security and military funding. More recently, the funding levels for both types of programs have been similar by the committees. This may be a reflection of greater harmony with Democratic control of both committees. Another explanation is that the budget process has severely restricted immediate outlays and

security and military programs with quicker spend-outs allow less room for tradeoffs.

As the foreign assistance budget has been constricted, the percentage of prior year funding for programs has grown and only about two percent of the appropriations bill in FY 1989 is available for new programs. Prior year commitments have locked in spending and makes major shifts among accounts difficult.

Because of prior year loans, many developing countries have a net outflow of foreign assistance. Debt forgiveness (which must be budgeted and counts as additional spending) has become a greater concern of the appropriations committees.

1988 may be the test of whether a foreign assistance appropriations bill can pass on the House floor and in what shape, given the President's challenge and congressional leadership's response to try to pass all 13 appropriations bills, rather than one large continuing resolution. If a separate bill does not go to the floor, foreign aid may be funded on a simple extension formula. Conventional wisdom has held that election years should be avoided in any floor consideration of foreign assistance. Generally, foreign assistance authorizations, for example, are taken up in the first session of the two-year House election cycle.

The absence of foreign assistance debate on the House and Senate floors means there is less opportunity to educate members of Congress who do not

serve on the key foreign policy committees about the true dimensions and value of foreign assistance.

#### FOREIGN ASSISTANCE INITIATIVES

It is within this budget, authorization and appropriations process that a strategy for foreign assistance reforms would need to be developed for the new Administration which takes office in January 1989. In the 1970s, the authorization (policy) language in the Foreign Assistance Act of 1961 established "basic human needs" with a focus on rural development as the guiding philosophy. "Basic human needs" was a reaction to the growing perception that assistance for capital projects during the 1960s was not working. A foreign assistance bill had been defeated on the Senate floor as a casualty of the war in Vietnam, where assistance programs were heavily focused. The basic human needs strategy was drafted by a task force of the House Foreign Affairs Committee led by Don Fraser.

Likewise, in the late 1960s, there was a congressional reaction to foreign assistance "abuses," well publicized by Jack Anderson and Proxmire's Golden Fleece Awards. In appropriations, Senator Daniel Inouye established functional accounts and a separate operation expenses line item for better oversight in the administration of assistance programs. He also established stringent requirements that all foreign assistance projects must be justified individually through the Congressional Presentation and a complicated notification process. This detailed project-by-project review, committee reports and the use of earmarks has strengthened the role of the appropriations process.

The authorization and appropriations processes are linked. Usually, a change in policy will require authorization and new appropriations. The appropriations committees are reluctant to get too far ahead of the authorization process, though in recent years they have increasingly placed policy language into their bills and reports when authorization bills are not approved.

Many foreign assistance initiatives involving funding have been approved in supplemental appropriations bills, rather than continuing resolutions or the regular authorization/appropriations process. The Administration can propose new programs by using offsetting funding reductions (often in military programs). Supplementals are supposed to be for emergency funding, such as African drought relief. But, increasingly, supplementals have been a backdoor way of increasing foreign assistance, for example, to make up for arrearages in multilateral bank funding and to fund the Caribbean Basin Initiative and the Kissinger Commission initiatives in Central America.

A foreign assistance change needs a strategy which addresses authorization (new policy) and appropriations (new funds or reallocations in funding).

Many observers in Congress and the Administration feel a need to totally rewrite the Foreign Assistance Act of 1961, but there is no consensus on what direction the rewrite should take. The Hamilton task force of the

House Foreign Affairs Committee is developing options which will be ready by the end of 1988 for discussion with the new Administration. The Agency for International Development is also conducting an informal search by its policy bureau for a new formulation of foreign assistance, likely to stress economic growth and trade.

The interest in change is based on a general perception that the foreign assistance climate has changed, fatigue with the basic human needs approach and frustration with the size and complexity of the Foreign Assistance Act which has grown like topsy and become all things to all people. For example, rather than modify the basic structure of the Foreign Assistance Act to reflect the Reagan Administration's views on foreign assistance, the Administration accomplished a shift in funding towards military and bilateral programs through incremental requests. Rather than restructure the law to reflect a focus on private sector development and other priorities, the Administration placed "four pillars" of generalized policy language into the Act.

Periodic efforts to remove "barnacles" from the foreign assistance act have not been very successful. The Administration wants a freer hand in operating foreign assistance, but the Congress insists on accountability and ultimate control. This conflict makes small changes possible, but a major dismantling of Congressional restriction requires a higher level of trust, a shared vision and bipartisanship which has not yet developed.

In contemplating a strategy for changes, congressional committee jurisdictions for foreign assistance must also be considered because there are a multitude of committees and different congressional routes for legislation. For example, multilateral development banks are under the House Banking and Senate Foreign Relations Committees. Food for Peace is under the joint jurisdiction of the House Foreign Relations and Agriculture Committees and sole jurisdiction of the Senate Agriculture Committee. Tax issues such as the generalized system of preferences are under the House Ways and Means and Senate Finance Committees.

#### STRATEGIC ELEMENTS

Foreign assistance reforms need a clearly defined strategy to take advantage of the first year of the new Administration. This is the critical time for change because there will be a new team and a desire to formulate the President's views on foreign policy with foreign assistance as the major legislative vehicle for the new vision. Here are the steps to be considered:

1. Party Platforms. Historically, party platforms have not been important. But, the Republican platform in 1980 set the blueprint for the Reagan Administration's foreign assistance programs. It clearly articulated a shift from multilateral to bilateral programs and from economic to military and security accounts. The platform was the focus of Republicans who wanted to oppose all types of foreign assistance as wasteful and others who wanted to change their focus. This battle

continued into the early months of the Reagan Administration when OMB Director David Stockman attempted to drastically cut foreign assistance, but lost to Secretary of State Alexander Haig. Thus, the platform is the first indicator for changes in foreign assistance focus.

2. Transition Period. Usually, transition teams are a way to reward supporters and seldom will have a major impact on foreign assistance. The most important influence center is in the selection of key foreign assistance officials. There will be a scramble of resumes, but the inside game is played out by a few people in key positions. Early supporters of the new president will have solidified their roles and are more important to reach than last-minute hangers on. In a campaign, there are many troops, but only a few make it into senior positions.

In building support for candidates with ideas you support, it is necessary to line up key endorsements. Senators friendly to the new President usually have the most clout among elected officials. An informal circle of friends of the President may make the big personnel decisions with foreign assistance officials chosen mainly by the White House personnel office. Outside group endorsements have little impact. In the immediate transition, the focus is not on ideas, but loyalty to the President and his team. Cabinet officials will be appointed first before lower positions for foreign assistance. The cabinet members will have the ultimate authority, but support from the White House will narrow the field of candidates and probably be the deciding factor in senior foreign assistance positions: AID Administrator, Peace Corps Director, director of multilateral banks in Treasury, etc.

3. New Administration Leaders. Once the key officials are known, there is a period of time for clearing their names through the White House and securing congressional approval. However, they will usually be in place during this time. Again, their first priority will be the selection of lower level political appointees. They will have their own people in mind, plus a "must" list from the White House office of personnel. The head of personnel and policy are two most important officials to reach in the immediate months of the new Administration.

4. Window for New Foreign Assistance Initiatives. During the first six months, there is a window of opportunity for major Administration changes. During these shakedown months the new foreign assistance officials will be trying to consolidate their power. They will look for ideas and concepts as a way to sell themselves to higher officials. For example, by the new AID Administrator will want to find concepts that are favorable to President's policy views expressed during the campaign and the new Secretary of State. The National Security Council will also play a critically important role in setting broad policy directions.

#### STRATEGIC OPTIONS

Reorganization of Foreign Assistance Structure. The first step, which might be considered, is to gain reorganization authority. This is general authority given to the President to change Administrative arrangements. Congress retains a veto over proposed reorganization plans.

Rewrite of the Foreign Assistance Act. A major overhaul of the Foreign Assistance Act is currently being looked at by the House Foreign Affairs Committee. Historically, this committee has led such efforts. It has a larger staff, members of the committee are more deeply involved and foreign assistance within the committee has a higher priority than in the Senate. Usually, staff of the House and Senate committees will work together. The first step by the Administration which wants reforms is to begin early consultations and develop a shared vision for a new foreign assistance program.

The committees will want to act quickly on authorization legislation before the congressional calendar fills up. Rather than a major change, an incremental approach may be considered. It will be hard to have the Hill and Administration agree quickly on a major foreign assistance act rewrite. Thus, limited initiatives, for example, in bilateral assistance programs of Agency for International Development might be explored. But, there is a need for a rallying idea -- like basic human needs in the 1970s -- which can drive through the changes. A rewrite for simplification and to remove "barnacles" and earmarks -- such as the Kassabaum bill -- probably does not have sufficient political appeal. Today, there is a lack of a clearly defined overall objective for reforming foreign assistance, other than it's time for change.

New Initiatives. An alternative to a major overhaul of the entire assistance programs is to initiate a major new program. In the past, this

approach has proven to be the most sellable to Congress. Everyone is looking for a good idea: the Alliance for Progress, Peace Corps or National Endowment for Democracy. A big idea which the President can announce in a major speech can give a big boost for change. Rather than get bogged down in the full array of foreign assistance programs, a new idea can be also advanced to create an agency or pull together several existing agencies or departments and further foreign assistance changes can be gradually implemented over the course of the new Administration.

Foreign Assistance Funding. The new Administration will inherit the previous Administration's proposed budget for fiscal year 1989. Only a few modest changes are possible. So, the strategy might be to postpone efforts for major funding increases or reallocations until later in the year and try to hitch them onto the supplemental. A new program or grand scheme with political appeal has a better chance in the supplemental because it can be isolated from all the other tradeoffs and the Administration can find "savings" in non-assistance accounts to pay for it.

The most important activity of the new Administration will be dealing with the federal deficit. All the gimmicks have run out, and major cuts or revenue increases will be necessary to continue a downward trend in the federal deficit. Foreign assistance is not likely to fare well under these circumstances. But there is now real hope that both parties will move for some kind of budget summit again next year where the Administration will be in a position to protect foreign assistance

accounts. The director of OMB and the Secretary of State will be key actors in such a summit. It will be important to protect accounts, but the likelihood of major increases is probably slight. Foreign assistance reforms in the climate of the 1990s will probably have "to do more with less."

Internal Changes. The greatest opportunity for changes may be through internal changes: reorganizing the bureaucracy and bringing in new people. Efforts by the Carter Administration for a major housecleaning of AID did not go forward, and the Reagan Administration under Peter McPherson decided against a major reorganization as too disruptive. Internal changes need to be well planned and understood by career bureaucrats and put in place gradually.

An opportunity for internal change could be to resurrect the International Development Cooperation Agency (IDCA) which is supposed to coordinate all foreign assistance programs. IDCA has lain dormant during the Reagan years, and most observers believe it was not successful and another layer of bureaucracy in the Carter Administration. But, a plan can be advanced to recreate IDCA as an important coordinating body with real power to bring coherence to U.S. policies toward the developing world. A plan of action would be needed for the Secretaries of State, Treasury, Agriculture and Commerce where they see IDCA in their interest. The National Security Council would be in a key position to implement such a plan.

An alternative internal reform would be a better sorting out of responsibilities within existing structures and legislation. For example, the shifting of responsibilities for security and military assistance to the State Department and putting only development assistance in a revamped AID is possible without legislation. Taking policy dialogue and sectoral programs out of AID and placing the U.S. focus on these issues within multilateral agencies can also be accomplished without legislation. The point is that foreign assistance goals need to be clearly defined and, only after determining that existing law and structures cannot implement the reforms, should a major effort be invested in comprehensive legislative revisions. The multifaceted nature of the Foreign Assistance Act with all its mandates and directives may provide sufficient room for major administrative and policy shifts without the need to rewrite the legislation.

#### SUMMARY

Are there congressional strategies which can be successful in substantially increasing foreign assistance and restructuring development cooperation for the 1990? The answer to both questions is yes. The history of foreign assistance initiatives contains the clues for how to launch an effort of major reforms. It will take strong presidential and congressional leadership with a willingness to tackle a generally unpopular issue. But, like current efforts to reform the U.S. welfare system, the very unpopularity of foreign assistance can help put together

the coalition of interests for reform. Beginning with the assumption that the developmental experts, congressional and administrative leaders and outside supporting organizations believe that reform is essential, what is lacking is a clear rallying concept which is bipartisan and, like welfare reform, pulls conservative and liberal critics of foreign assistance towards a consensus for change. The appropriate congressional strategies will emerge from this consensus.