



# USAID's Role in the War on Terrorism

by James Clad

ISSUE BRIEF 1

**T**he September 11 attacks sharpened our perception of the threat posed by terrorism. We can respond by reshaping the threat—the better to neutralize or destroy it—or watch passively as it reduces our security and diminishes our stature. After the events of September 11, foreign development assistance may resume a central place in our response. As it was during the cold war, foreign assistance seems set to become a prominent and visible feature of U.S. foreign policy.

As a key component of our comprehensive response to terrorism, targeted foreign assistance will draw on USAID's long experience in providing aid in support of broader objectives. Much of what the Agency has done in the past—restructuring economies, bolstering institutions, delivering basic services, or strengthening democracy—is relevant to the current task. But there will be differences: we will need more time before we can see results...and the results will be more difficult to track and measure.

## Back to Basics

A sustained counterterrorism effort must go back to basics. For example, enabling people to feed themselves and support their families helps to normalize and stabilize societies in stress. Even in societies where violence has been a historical feature, small entrepreneurs (examples exist even in strife-torn areas of Central Asia) preoccupied with their businesses tend to avoid destructive political activity. Looking at South and Central Asia, the Agency's experience includes a proud era of helping Afghanistan from the 1950s through the early 1970s. Then, American assistance went into agriculture, school construction, and infrastructure. Despite the difficulties posed by the Soviet invasion in 1979, the Agency provided emergency aid to Afghans, with humanitarian programs managing to continue in Afghan/Pakistan border regions.

After 1985, Soviet pressure on border areas increased, but USAID responded with cross border relief efforts that required daring and flair.

The Afghan and South Asian aid experience points to the need for ongoing local connections by Agency staff. Successful activities have rested on relationships crafted with local leaders and communities. The Agency's presence has tended to recede in recent years as nongovernmental organizations increased their role, especially in the provision of immediate relief aid.

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## The Dangers of Not Focusing on What the Agency Does Best

The Agency knows what can happen when basic service programs end abruptly. For example:

- When aid for Afghan women's welfare ceased, an important social buffer against extremism also disappeared.
- When support for Pakistan's Northwest Frontier Province rural primary education ended (after Congress applied antinuclear sanctions to Pakistan), religiously defined views against education began to gain precedence.

- When funding for school construction in Egypt ended (a decision prompted by a shortage of staff to inspect the schools), religious schools of varying quality formed the only alternative.

The United States has been shortsighted in leaving countries or abandoning the social and educational sectors. This lack of vision creates a vacuum in which extremism may flourish. NGO activity, no matter how useful and energetic, cannot substitute for state capacity. That is why taking control of the education ministry often forms a vital part of the agenda of any fanatical creed when it wins power. However, education with a strong secular bias (though by no means anti-religious), open to both sexes, offers one of the most effective ways to delegitimize terrorism.

To counter terrorism, U.S. foreign assistance will function best if it remains sharply focused. The United States must respect and utilize the Agency's tradition of a strong field presence. American policy should avoid "catastrophizing" regions in broad brushstrokes. It should also recognize that in Central, South, and Southwest Asia, poverty weighs most heavily in mountainous areas, while terrorism has made its deepest inroads in urban areas among marginalized young men. We should not assume that the mere lack of formal education leads inexorably to terrorism; indeed, some of those flying the aircraft on September 11 were highly educated.

## The Nature of the Threat

The terrorism we confront has an almost existential appeal. In this construct, America is an inimical, status quo hegemon. The religious idiom in which this terrorism comes

garbed transcends borders, taking advantage of cheap globalized communication. Afghanistan is just one place sheltering the group that planned the atrocities of September 11. But the terrorist network is global; indeed, the al Qaeda and other loose networks may count as the first truly global insurgency. When contemplating American counterterrorism measures against this wily but identifiable adversary, some have seen a David and Goliath morality play in which the United States is the blundering and cruel giant caught off his guard. In many terrorists' eyes, the United States now seems susceptible to decline. Such people compare the "victory of Islam" in driving the Soviets from Afghanistan a decade ago to the struggle against America, in which they also predict victory.

## How Foreign Assistance Can Counter Terrorism

Economic assistance already forms part of the counterterrorism effort, shoring up coalition partners' capacity and preparing for a post-Taliban Afghanistan. Yet a targeted, focused aid program means more than just the "soft side" of a campaign driven by force of arms. Soon enough, short-term humanitarian aid will yield to longer term economic reconstruction in Afghanistan. Other resources will go into projects that address the root causes of terrorism.

Foreign aid having a counterterrorism thrust must be grounded in realism. Claims that terrorism only (or primarily) thrives in areas of abject poverty do not hold up. Programs relying on a "basic needs" approach (for example, targeting rural economies to enable people better to feed themselves), may not do any-

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thing about other root causes of terrorism. Hopelessness and zealotry tend to flourish in places where state capacity has eroded, contributing to instability and sapping the credibility and legitimacy of the nations' leaders. Thus, longer term counterterrorism results will probably depend *not* on eye-catching new programs, but rather on a focused resuscitation of badly damaged state institutions—whether in economic management, rule of law, public safety, education, or basic health. Across Central Asia and in Afghanistan and Pakistan in particular, the fabric of the secular state has taken terrible punishment since the 1970s. The Agency may need to overcome its reluctance to work in "failed states," not least because the term has become too loosely employed. In many cases, some residual state capacity can be found despite an apparent comprehensive collapse of state institutions.

The same conclusion about residual state capacity also applies to vast swaths of South America and Africa where the post-independence state apparatus has atrophied almost beyond recognition. The steep decline in state capabilities amounts, on its own, to another important element in the incubus of terrorism. In extreme examples, the state has become a mere shell, a sovereign pretense sheltering transnational criminal groups, traffickers,

smugglers—and terrorists. Weak state capacity or corrupted indifference to enforcing immigration rules has led some, though far from the ostensible areas of conflict with U.S. policy, to become havens for terrorist cells able to freely launder money and receive remittances.

In this new era, many “old” development strategies may find new life in the context of economic assistance aimed at combating terrorism over the longer term. For example, vocational training and craft apprenticeship put idle hands to work; job creation will help drain the pool of potential recruits to terrorist organizations. Administering a foreign aid program prioritized for counterterrorism, the Agency could find itself employing a mix of small-scale (e.g., village roads) and large-scale (e.g., water supply networks) projects alongside activities to support policy and institutional development. Alleviating environmental problems, particularly in Central Asia where irradiated tailings threaten catastrophic consequences for irrigation systems and water supply, can have important effects.

### The Agency’s Worldwide Experience Is Relevant

Nor should this thrust be too region-specific. Much of the Agency’s experience around the world bears on the current counterterrorism campaign and its regions of highest priority. This includes hard-won knowledge gained from efforts to offer viable economic alternatives to violent rural insurgencies. Many lessons have arisen from programs in over two dozen countries, including Egypt (where USAID felt obliged to walk

away from helping strengthen the education system) and Central America.

As Vietnam revealed, success against unconventional warfare requires a broad range of measures in which the military component plays only a small part. The provision of basic security—in which conventional forces assume a comparatively minor role—matters just as much to communities deprived of public safety as distant battles against countries sheltering terrorist training camps. Programs directed against “incubators of grievance” may help diminish the appeal of terrorism as an instrument of political change. And extra efforts must be made to bypass government officials who siphon off these targeted resources (which only confirms terrorists’ belief in the hopelessly corrupt nature of their own governments).

### The Need for Creative Approaches

The current crisis requires closer linkages between economic assistance and public diplomacy, enabling dissemination of success stories in a way that enables national authori-

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ties to claim the achievements as “their” successes. Resentment in many parts of the world against American preeminence requires paying more attention to the “fingerprints” issue, that is, that a particular program or approach

should not be devalued because of a perceived American pedigree. Helping recipient countries “take ownership” of focused counterterrorism programs is vital. So is working in tandem with other donors to gain from others’ experience and spreading responsibility for resources and outcomes.

This in turn points to a need for creative approaches to philanthropy, both in the U.S. and abroad. A plan aiming to reduce the appeal of terrorism via longer term economic programs should be multilateralist, relying on resources and experience both of official OECD donors and also of private sources such as Pakistan’s Agha Khan Foundation. Overall, economic successes coupled to a more open political process will enable the gradual delegitimization of terrorism.

Meanwhile, any aid program will need to operate in the political realities of the post-September 11 world. These run a gamut of reactions both supportive and hostile to U.S. objectives. Solidarity with American suffering yielded quickly to resentment over American resolve to avenge the large U.S. death toll. Foreign populations, especially in poor countries, contrasted this U.S. determination with perceived U.S. indifference to suffering by non-Western people. Even a certain satisfaction arose that Americans had finally “tasted the bitter brew we sip each day.”

Opportunistic reactions to the September 11 events include the “usefulness” of the counterterrorism campaign to authoritarian leaders who, both inside and apart from the Islamic world, have cracked down on opponents. In Africa, governments now accuse their opposition (or vice versa) of maintaining links

to the al Qaeda and other terrorist networks. New offensives against rebel groups also now find the counterterrorist fixation a convenient “cover” for domestic political imperatives.

For example, new Indonesian army attacks against Islamic separatist insurgents in Aceh, or Philippine military offensives against Muslim communities in Mindanao allegedly sheltering terrorist separatists, attract little notice and even less hostility from the West these days. Malaysia’s use of draconian internal security laws to detain alleged Islamists allegedly fomenting subversion similarly elicit no protest. Meanwhile, governments enamored of bleak Islamist views are also using the current counterterrorism campaign to clamp down on civil society groups. The Agency’s experience with civil society programs gives it a front-seat view of a decline in tolerance, with both Muslim and non-Muslim communities susceptible to radicalization.

The world fears a diversion of U.S. resources away from earlier commitments. Will HIV/AIDS programs lose funding? Will debt reduction lose support? Will conflict resolution programs, inherently very difficult, lose backing as distracted Western allies focus their attention elsewhere? In an economic recessionary environment, with primary commodity prices tumbling, tourist numbers dwindling, and compassion fatigue showing no sign of lessening, these anxieties will produce a skeptical reception to American foreign assistance apparently fashioned with an exclusively counterterrorist focus. We must avoid giving the impression that we offer only on-again/off-again relationships with other aid recipient countries, out of the counterterrorism



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limelight. With some justification they fear we will be utterly distracted by our new national emergency or, worse perhaps, that we will respond favorably only to projects linking our help to an immediate need to abate terrorist or other political violence. We see already an effort by some foreign governments to tailor their aid requests according to these criteria.

Whatever the approaches taken and the resources available, hard political decisions must be taken. Our government often lacks a process to identify, plan, devise appropriate strategies, and commit resources to support a clear, consistent aim—even with the sharp clarity of the current counterterrorism effort. We come to this task at a time when some of our diplomatic skills have atrophied—including deep, country-specific knowledge and retention of contacts with past friends and aid beneficiaries. As a nation, we are not as “connected” as we used to be; we don’t know the mosques, we don’t know the local terrain, and we don’t know the languages as well as we once did. But leadership—and thought-out, realistic plans grounded in relevant past experience—will enable us to fashion a response that addresses the twin objectives of, first, the immediate reconstruction needs of countries most affected by the counterterrorism campaign and, second, bet-

ter governance, effective employment generation, and better basic health and primary education services.

## Conclusion

The preceding points should provide a source of satisfaction. We have the tools, experience, and commitment to support our force of arms with the “force” of alternative choices for vulnerable populations now too often hostage to single-track messages or mired a culture of hopelessness and intolerance. The job requires intense focus and a willingness to stick it out for the long term. Past American experience shows, however, that we have the capacity to display these attributes for decades if need be.

But the question of resources cannot be finessed. New aid resources will help us take advantage of the experience of staff knowledgeable in countries most relevant to the current counterterrorism effort. Drawing on field experience means strengthening our Agency’s on-the-ground presence. It means bolstering our language capacity. It means reestablishing connections with host country nationals, whether with Afghan émigrés or people who emerged from secular schools in an earlier era but who are now living defensively in a local or national environment of intolerance. The reach of fanatic ideas goes very deep in some parts of the world; the task of reversing negative trends amounts to an agenda of long duration. The Agency’s links with past projects, with the donor community around the world, and with the common objectives of U.S. foreign policy in this new era all point to a focused need for new resources, and for applying them to best effect.

This is the first in a series of issue briefs that discuss important development issues raised in discussions, roundtables, seminars, and other fora supported by the Bureau for Policy and Program Coordination of USAID. Issue Brief 1 is a synopsis of the initial meeting of USAID's Working Group on The Impact of the September 11, 2001 Terrorist Attacks on U.S. Foreign Policy: Foreign Aid and the War on Terrorism, held on October 26, 2001.

Featured participants in the discussion were the Honorable Phyllis Oakley, former Assistant Secretary of State for Intelligence and Research; Dr. Fred Starr, Director, Central Asia Institute, Johns Hopkins University School of Advanced International Studies; the Honorable Robert Pelletreau, former Assistant Secretary of State for Near Eastern Affairs; John Prendergast, International Crisis Group; and Dr. Bruce Hoffman, Vice President, RAND Corporation.

James Clad, Senior Counselor in USAID's Bureau for Policy and Program Coordination, prepared this synopsis.

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