
SUMMARY

President Obama and his foreign policy team are only just starting to confront the challenge of reformulating U.S. democracy promotion policy. Crucial to any such effort will be revitalizing democracy assistance, a domain that has expanded greatly over the past 25 years but risks not adapting adequately to meet the challenges of the new landscape of democratic stagnation in the world. As the largest source of U.S. democracy assistance, the United States Agency for International Development (USAID) is a natural starting point for such a process of revitalization.

USAID has a long record of experience in democracy and governance work and of positive contributions to numerous democratic transitions. Yet USAID also exhibits chronic shortcomings in this domain, primarily related to how it operates as an institution. Among the agency's myriad general institutional deficiencies, three problems stand out in relation to its democracy and governance work: punishing bureaucratization that chokes off innovation and flexibility; a high degree of externality in the design and implementation of aid programs and a consequent low degree of local ownership of assistance; and inadequate integration of democracy and governance priorities and capacities within the agency's own institutional structures.

Remedying these shortcomings will require determined, focused leadership at USAID, supported by the State Department, the White House, and Congress. Such leadership will have to demonstrate not just a commitment to the value of democracy and governance work as part of

the overall U.S. development agenda but a willingness to devote significant attention to low-profile but vital issues concerning operational methods and structures. It will also require a willingness to take on the many vested interests that will feel threatened by change. A successful revitalization of USAID's democracy and governance work would be a telling signal that the Obama administration is forging significant institutional changes that will help the United States meet the serious challenges that democracy's uncertain global fortunes now pose.