FOREIGN FIELDS: INTERNATIONAL AID AND FAITH-BASED ORGANIZATIONS

Robert B. Lloyd a

a Pepperdine University, USA


To cite this article: Robert B. Lloyd (2007): FOREIGN FIELDS: INTERNATIONAL AID AND FAITH-BASED ORGANIZATIONS, The Review of Faith & International Affairs, 5:1, 29-38

To link to this article: http://dx.doi.org/10.1080/15570274.2007.9523275
The observation of human suffering and poverty prompts a heartfelt sense of compassion accompanied by a desire to assist those less fortunate. This is true both for those who understand this commitment in light of their religious convictions and those who simply see it as helping a fellow human in need. Unfortunately, despite the rapid economic growth of the past century that has lifted hundreds of millions of the world’s people into levels of prosperity never before experienced, many billions still remain in dire economic and social straits.

Furthermore, growing prosperity has not been equally distributed. For a number of reasons including poor government policies, ethnic strife, war, lack of natural resources, and historical legacies of colonialism, many of the poor countries are located in Africa, Asia, and parts of Latin America. The richer areas are concentrated Europe, North America, and northeast Asia. This has led to a historical pattern—and indeed widespread expectations—of assistance by the West to the developing world for poverty alleviation and economic development.

There have been two basic government responses to these needs. In many wealthy countries, particularly in Europe, governments have directly initiated programs for foreign assistance. The United States, while similarly creating and directly funding foreign development assistance programs, has also encouraged private and voluntary efforts through the tax code. This approach has built on American traditions of local civic organizations organizing to respond to public and private needs.

Such private volunteer organizations—also called nongovernmental organizations—have been active in foreign assistance from the time of the founding of the United States up to the present day. Many of these groups have shared a Christian motivation in their efforts. The Summer Institute of Linguistics (SIL), for example, was created by its American founder Cameron Townsend in the 1930s to analyze Guatemala’s unwritten indigenous languages, develop orthographies, translate materials into the local languages, introduce mother-tongue language literacy materials, and disseminate the results of this research to the Guatemalan government and broader academic community. Over the following decades the organization replicated this model worldwide.1 Undergirding their efforts was a strong Christian motivation to see the New Testament translated into local languages.

Robert B. Lloyd is Associate Professor of International Relations at Pepperdine University. A former country director for a nongovernmental organization in Mozambique, he received his Ph.D. in International Relations from the Johns Hopkins School of Advanced International Studies. He is currently writing a book entitled Christian Negotiation in International Conflicts.
languages, but also the generous support of Christians in the West and a helpful American charitable tax deduction. Had it been undertaken directly by the federal government, such an effort would have cost taxpayers many hundreds of millions of dollars. Instead, this privately funded effort quietly laid the foundations for greater literacy, a prerequisite for economic growth and poverty alleviation.

SIL was not, of course, the only organization seeking to respond to needs outside U.S. borders. After World War II a plethora of both secular and faith-based organizations (FBOs) were established and grew. This growth accompanied the general rise of the United States to global primacy and an increasingly large federal budget that provided new and greater opportunities for funding. Federal funding, however, carried restrictions based on constitutional prohibitions against government establishment of religion. Secular organizations were not affected by these provisions and FBOs often responded by separating their religious and secular activities. Many FBOs, however, were either unable to do this for practical reasons or were unwilling as a matter of principle to separate their activities along the lines of sacred and secular.

But over the last two decades, and especially during the presidency of George W. Bush, the definition of “separation of church and state” has become increasingly contested, such that certain FBOs which formerly may have been considered too religious to be eligible to apply for government funding are now eligible. The label that has come to describe the movement to expand eligibility is “faith-based initiative.” This initiative actually predates the George W. Bush administration, and is associated in the public mind primarily with domestic welfare reform (first signed into law by President Clinton in 1996). Too often ignored in the debate over the initiative, however, is its important relevance to foreign aid. Accordingly, in what follows I provide an overview of the initiative’s application to international aid programs—and how politics no longer stops at the water’s edge when it comes to funding FBOs.

The Faith-Based Initiative

Since the 1980s many of the FBOs—both those with a domestic and those with an international orientation—have grown in size and sophistication. The groups have also become more politically active, with many leaders and supporters becoming strong supporters of the Republican Party. While much of the policy debate concerning FBOs relates to domestic disputes over the constitutionality of government education vouchers for religious schools and grants to religious groups involved in social services, some evangelical organizations, such as the domestically-oriented Focus on the Family, have also become increasingly interested in international assistance. At the same time, international funding organizations have gained new awareness of the critical role played by FBOs in the delivery of social services in the developing world.3

Thus, recent years have witnessed a growing political challenge to what is perceived by some as the unfair exclusion of FBOs from government funding based on their religious tenets. During his campaign for the presidency in 2000, George W. Bush publicly stated strong support for government funding of FBOs. The newly inaugurated President Bush took a number of administrative actions to realize these campaign pledges. Within days of assuming the presidency in January 2001 he directed through Executive Order 13198 that federal agencies ensure equal access for FBOs seeking to partner with the government on federal programs. This order also created Centers for Faith-Based and Community Initiatives tasked to eliminate regulatory barriers to full participation by faith-based groups in the provision of social services. Initially, these centers were located in the largely domestic-oriented cabinet departments of Housing and Urban Development, Health and Human Services, Education, Labor, and Justice.

Later that year the White House issued a major report entitled “Unlevel Playing Field: Barriers to Participation by Faith-Based and Community Organizations in Federal Social Services Programs” that found such groups underrepresented in federal
funding relative to their size and importance. The report further claimed bias by the federal government against FBOs that hampered their ability to obtain funding.4

President Bush also sought to enshrine these administrative changes in law. The House of Representatives passed enabling legislation, but it failed in the Senate as moderate Republicans joined Democrats in opposing the legislation based on constitutional issues. The primary objections were concerns that FBOs would be allowed to discriminate unfairly in hiring only coreligionists, and might use taxpayer funds for proselytism.

Undeterred, President Bush issued two additional executive orders on December 12, 2002, which collectively set the administrative framework for the inclusion of FBOs in American foreign assistance programs. Executive Order 13280 extended the scope of the first executive order by creating similar centers in the Department of Agriculture and the United States Agency for International Development. Executive Order 13279 further charges executive agencies to provide for both the participation and the autonomy of FBOs in government-funded programs consistent with the First Amendment of the U.S. Constitution.

New Rules for Faith-Based Foreign Assistance

While much media attention focused on domestic considerations of these regulatory changes, relatively less attention was paid to the international dimension of FBOs receiving federal grant money. The implications of these regulatory changes were nevertheless far-reaching for both secular organizations and FBOs working internationally. The experiences of one federal agency in implementing these executive orders illustrate the barriers to participation by FBOs, the primary objections to such an inclusion, the new opportunities it affords for meeting human needs around the world, and the financial implications of federal funding to both secular and religious NGOs.

The United States Agency for International Development (USAID) is the principal federal agency for international foreign assistance. The agency’s foreign policy objectives include economic growth, poverty alleviation, public health, disaster relief, and democracy promotion. USAID is essentially a procurement agency for international development, laying out overall program funding objectives and then implementing these through the awarding of contracts, grants, cooperative agreements, and purchase orders. The budget of the USAID is currently about one-half of one percent of the entire federal budget. In fiscal 2007 the total USAID budget for development assistance is approximately $8.5 billion. Thus, President Bush’s three executive orders made a considerable sum of money potentially more accessible to FBOs.5

The executive orders tasked USAID to review and revise their regulations to eliminate any barriers to full participation by FBOs. On October 20, 2004, the agency released a report on its activities to implement these orders.6 This report provides great insight into the former barriers to full participation, the challenges of including FBOs in USAID programs, public objections to regulatory changes making this possible, and USAID responses to these objections.

The report shows the agency attempting to develop a workable formula to implement the presidential initiative. The resulting formula, derived from a number of statements contained throughout the document, may be summarized in this way: “USAID may not discriminate for or against a program applicant on the basis of religious character or affiliation.”7

The regulatory amendments contained six rules that govern FBOs. The first emphasizes the general eligibility of FBOs to participate in USAID funding initiatives. The second rule lays out requirements related to the term
“inherently religious activities.” The main stipulations of this “dual but separate use” clause are that direct aid must not be used for “worship, religious instruction, or proselytization.” Such activities are not prohibited by receiving aid, but must take place at a separate time and location and be entirely voluntary for participants. One example might be funding for a health clinic building that is used in the evening as a place of worship. Patients of the clinic could not be compelled to worship in the clinic during normal work hours.

The third rule affirms the continued independence of FBOs that participate in USAID funding programs. This independence includes board governance, religious mission statements and activities, and use of “religious art, icons, scriptures, and other religious symbols” in facilities where USAID-funded services are provided. The fourth rule clarifies the acquisition, construction, and rehabilitation of structures related to “eligible” USAID programs and “inherently religious activities.” A USAID-funded structure may not be used principally for an “inherently religious activity,” but may, however, share the same location. USAID funding for such a facility project can cover only the eligible activities. Thus, USAID will not fund a chapel, but will replace the roof of a health clinic that operates six days a week even though a congregation uses the health clinic building on Sunday morning for a religious meeting.

The fifth rule states that FBOs that receive direct assistance from USAID will not discriminate against an actual or potential program beneficiary on the basis of religion. This rule essentially extends the “neither discriminates for or against” formula to the FBO. The sixth rule eliminates previous USAID provisions that solely targeted FBOs to prove they had not used funds for inherently religious activities. This rule simply states all recipients of USAID funding must carry out these programs in accordance with USAID requirements. One final provision provides, without explanation, for the Secretary of State to waive any rule in whole or part for national security or foreign policy interests.

The Debate

USAID received comments on the document from both individuals and organizations regarding the rule changes. The objections that were raised may be grouped under several categories. First, constitutional objections were leveled at the new USAID policy. Some believed the USAID rules violated the Establishment Clause of the First Amendment of the U.S. Constitution because they would lead to government promotion of particular religious groups. Second, some objections related to more general legal questions. For instance, what if the FBO practiced racial or employment discrimination? Thirdly, some objections related to the practical matter of separating religious and non-religious uses and activities. Specifically, even if the inherently religious and eligible activities were separated, what would keep an organization receiving federal funds from later converting a health clinic into a church? What if the two activities are conducted in close proximity? An example of this might be a sermon given in a clinic waiting room. And what if there are obvious religious signs in a facility, like a hospital, that was funded for the general public? Would not these symbols create a pervasively sectarian atmosphere for program recipients? A fourth and final area of objection related to a specific policy issue, namely abortion. The concern was that FBOs would enjoy a special class status because they would be able to separate inherently religious from eligible activities and thus remain eligible to receive government funds, but pro-abortion rights NGOs would be wholly ineligible to receive public funds even if they used private sources of funds to promote abortions.

The response of USAID to these objections is also quite interesting. It fell to USAID administrators—tasked by President Bush through executive order—to deal with the tricky details of clearing away any regulatory barriers to participation by FBOs in government-funded endeavors, even in the midst of a broader and contentious debate regarding the precise relationship of FBOs and the government. With respect to the constitutional
objections raised to government funding of FBOs, USAID provided three responses. First, the funding does not go to “inherently religious activities.” Second, the U.S. Supreme Court’s “pervasively sectarian doctrine” no longer has the support of a majority of Supreme Court justices. Third, even if the doctrine still held, USAID argued that this had been applied only in a domestic context. The agency cited *DK Memorial Fund v. AID* (1989) as indicating that a less stringent standard might apply to foreign assistance.

With respect to the objection that faith-based funding would run afoul of legal antidiscrimination statutes, USAID noted that Federal law prohibits individuals from being excluded in USAID-related programs on the basis of race, color, national origin, age, or disability. The new rules did not supersede or alter these statutory limitations. Regarding discrimination in hiring based on religion, these legal restrictions must be weighed against the right of a FBO to define and implement its mission. Title VII of the Equal Opportunity Act of 1972 provides for hiring exemptions for religious organizations. The constitutionality of this exemption was upheld by the Supreme Court in 1987. Furthermore, legal precedent had been set for a century that direct federal grants may be given to religious organizations. The constitutionality of this exemption was upheld by the Supreme Court in 1987. Furthermore, legal precedent had been set for a century that direct federal grants may be given to religious organizations.

The response to the practical difficulty of separating eligible from inherently religious activities was addressed in four ways. First, organizations unwilling to make any effort to separate these two activities would simply be ineligible for direct funding. Second, USAID stated that government funding would not be provided for a facility clearly designated for religious purposes such as a chapel. Third, on the more difficult issue related to a shared or dual use of a facility for eligible and inherently religious activities, the agency rejected the argument that any government-funded facility could never be used for religious purposes. Such dual uses, it argued, must be separated in time but not necessarily in location. Furthermore, this does not require the removal of any religious symbols or icons from the location. The agency argued that because a number of federal statutes permit the display of religious symbols, requiring FBOs to remove symbolic displays would unfairly single them out among all USAID recipients who display symbols at facilities, and would impose an undue burden on their full participation. Fourth, a government-funded facility could later be “bought back” from USAID for conversion for single use as an inherently religious activity, but standard and appropriate government regulations related to real property disposition would apply.

On the volatile issue of abortion the agency stated that it was not establishing a “special class” status for FBOs. The rule changes were designed to “level the playing field” between faith-based and non-religious organizations. Both types of organizations were still subject to the Mexico City Policy which prohibits funding for pro-abortion programs.

**Budgetary Implications**

The debates over the appropriateness of the inclusion of FBOs in international assistance programs funded by the federal government take place in a financial context. Federal aid for international assistance involves billions of dollars, so the stakes are high for organizations of all types. This is true not just for the recipients of foreign aid but also for those whose livelihood is based on these programs. Indeed, USAID is just one of a number of agencies that fund international efforts. Table 1 summarizes funding to FBOs.

<table>
<thead>
<tr>
<th>Table 1: Funding to FBOs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEDERAL AID FOR INTERNATIONAL ASSISTANCE INVOLVES BILLIONS OF DOLLARS, SO THE STAKES ARE HIGH FOR ORGANIZATIONS OF ALL TYPES</strong></td>
<td></td>
</tr>
</tbody>
</table>

Overall, nearly $20 billion was available in fiscal year (FY) 2004. Most of this federal funding for FBOs was domestically oriented. By far the Department of Health and Human Services was the major source of funding, making available over $10 billion. Excluding USAID and the Department
Of Agriculture, on average 9.8 percent of all 2004 available funding was awarded to FBOs, up from 8.1 percent in the previous fiscal year. USAID awarded a higher percentage of available funding to FBOs (14.2 percent) than the overall average (10.3 percent). The Department of Agriculture provides large food shipments overseas, but the money awarded to FBOs was lower than the overall average.

While there are a number of FBOs that participate in USAID programs, several tend to predominate in receiving awards. Table 2 shows USAID funding for select FBOs in FY 2003. The table shows that Christian organizations involved in international assistance depend to varying degrees on government funding from USAID and the Department of Agriculture. Catholic Relief Services (71 percent) is the most heavily dependent, while Christian Relief Services (.16 percent) is the least dependent. The PL 480 program for food aid is a program area which accounts for much of the funding as compared with total revenues. The amount of funding by USAID is not inconsiderable. Catholic Relief Services and World Vision together received funding in FY 2003 of 137 million dollars.

A FBO Perspective

What then is the impact of federal funding on the operation of a FBO that receives these funds? To gain insight on this question I interviewed an official working with an international assistance program for a large FBO that receives substantial sums of federal assistance for internationally-oriented programs. First, I asked, how has increased availability of government funds changed the environment for FBOs doing work internationally?

The official responded that the faith-based initiative has definitely altered the state of affairs. First, there is now heightened awareness and closer scrutiny of international activities.

### Table 1
**Federal Funding to FBOs, 2003-2004**

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 2003</th>
<th>FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Available Funding</td>
<td>Amount to FBOs</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>10,874*</td>
<td>568</td>
</tr>
<tr>
<td>Housing and Urban Development</td>
<td>2,198</td>
<td>532</td>
</tr>
<tr>
<td>Justice</td>
<td>792</td>
<td>52</td>
</tr>
<tr>
<td>Labor</td>
<td>512</td>
<td>11</td>
</tr>
<tr>
<td>Education</td>
<td>135</td>
<td>7</td>
</tr>
<tr>
<td>Subtotal</td>
<td>14,511</td>
<td>1,170</td>
</tr>
<tr>
<td>USAID**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>14,511</td>
<td>1,170</td>
</tr>
</tbody>
</table>

*Figures in millions and do not add due to rounding errors
** Data not available for USAID and Agriculture in FY 2003.
Source: White House Office of Faith-Based and Community Initiatives

### Table 2
**USAID Funding for Select Christian FBOs, FY 2003**

<table>
<thead>
<tr>
<th>FBO</th>
<th>USAID Funding</th>
<th>PL 480* Funding</th>
<th>Other Gov’t Funding</th>
<th>Total Revenue</th>
<th>% of Total Revenue from Gov’t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catholic Relief</td>
<td>87,000**</td>
<td>293,000</td>
<td>19,000</td>
<td>484,000</td>
<td>71 %</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Vision</td>
<td>50,000</td>
<td>106,000</td>
<td>4,400</td>
<td>685,000</td>
<td>23 %</td>
</tr>
<tr>
<td>Adventist Development</td>
<td>13,000</td>
<td>15,000</td>
<td>2,000</td>
<td>75,000</td>
<td>40 %</td>
</tr>
<tr>
<td>Food for the Hungry</td>
<td>4,300</td>
<td>8,000</td>
<td>0</td>
<td>77,000</td>
<td>16 %</td>
</tr>
<tr>
<td>Habitat for Humanity</td>
<td>794</td>
<td>0</td>
<td>15,000</td>
<td>154,000</td>
<td>10 %</td>
</tr>
<tr>
<td>Christian Relief</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>36,500</td>
<td>0.16 %</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*PL 480 is the government food aid program run by the Department of Agriculture and administered by USAID.
** Figures in thousands
Source: USAID PVO Registry
For example, the Roundtable on Religion and Social Policy, funded by the Pew Charitable Trusts foundation, monitors the state of law related to these issues. Second, this particular FBO is now seeing an increasing number of articles appearing on how one can assess whether or not the use of funds is “inherently religious.” The organization had, for example, been drilling wells in countries for years without any scrutiny. Now such activities are being examined by groups opposed to the faith-based initiative such as the American Civil Liberties Union, Americans United for the Separation of Church and State, and Freedom from Religion Foundation. Opponents are more mobilized, particularly because some of the faith-based initiative has been implemented through executive order rather than legislation. The President’s Emergency Plan for AIDS Relief (PEPFAR) is also attracting controversy, as some groups are expressing concern that tax dollars are being directed toward “inherently religious activities.” This relates directly to issues of abstinence and condoms. There is, however, an important distinction made between domestic and international FBOs. In the case of internationally-oriented FBOs there is a general public familiarity with the history of missionaries working overseas to feed the poor. Thus those concerned with the church/state issues often see overseas relief work as different from what takes place in the U.S. and therefore outside of domestic constitutional considerations.

How then does the organization deal with separating “inherently religious” and eligible activities? The official I interviewed responded that this particular FBO does not have “inherently religious activities.” That is, the organization does not proselytize. Thus, the issue of “eligible activities” and “inherently religious activities” is not directly applicable. Furthermore, the organization avoids difficulties by accepting only grants and not contracts. Contracts are subject to the Federal Acquisition Regulations (FAR), which are more administratively burdensome. Under contracts, deliverables must be submitted by specific deadlines. Contracts are more research based, and are often performed by think tanks or for-profit groups like Booz Allen Hamilton. Grants, by contrast, are based on “best effort” assessments of previous work.

I also asked whether government funding affects the faith-based mission and internal governance of the organization. My interviewee responded that the organization has not been affected; the organization does hire overseas individuals who do not share the same faith commitment, but preserves the faith identity at high levels. Furthermore, my interviewee contended, hiring non-coreligionists overseas has actually helped in the delivery of services. There are other regulations, however, that may affect its governance. The Department of Labor rules have provisions regarding sexuality, for example, that could possibly impinge on its faith principles.

Other FBOs approach the issue of mission in different ways. Some do not preserve religious hiring rights so that they can accept contracts. A FBO will, for example, take the abstinence part of a contract for AIDS services and subcontract out the condom part to another organization. Another FBO may not exercise the religious hiring exemption for its medical clinics but will do so for its schools. Essentially, all FBOs are calculating how to approach the contracting business within the context of their goals and mission statements.

One question I posed to my interviewee addressed working with USAID specifically: How does the faith-based initiative affect work with USAID? The response was that USAID is seen as an agency somewhat outside the federal norm. The agency is also in flux as it is now part of the State Department. USAID rules are different from those of other departments that deal with international assistance such as Health and Human Services, Labor, and Agriculture. USAID has overseas missions that have more latitude in interpreting regulations, and the international context means people are less concerned about constitutional issues related to church/state.

My final question examined the broader regulatory context of working with the federal government as a FBO. The official noted two
areas of conflict. First, the Bush administration issued a requirement that NGOs certify they do not work with prostitutes. Groups affiliated with InterAction, an alliance of U.S.-based international development and humanitarian NGOs, have refused to sign the certificates. They argue that the nature of the HIV epidemic means that some of the individuals with whom they work are prostitutes. In Thailand, for example, a very high percentage of prostitutes test positive for HIV. These NGOs have, nevertheless, still received funds. A second area where regulations have affected the FBO is in the certification that international assistance is not going to terrorists. Obviously the organization does not want to fund terrorists, but it is burdensome regularly to check lists of individuals and organizations associated with terrorism. Overall, however, the faith-based official thought the system worked “pretty well” in actual practice.

The Politics of the Well

A villager in Kenya who as a result of a USAID grant now has access to clean water rather than polluted water from a nearby stream does not really ponder over the politics behind the well. The fresh water reduces the family’s sickness due to water-borne diseases, makes access to water much more convenient and efficient, and provides a ready way to irrigate the fields. That alone is something to celebrate. This does not mean, however, that the policy debate raging back in the United State about the well is irrelevant. The question of whether or not the religious identity of the provider of a taxpayer-supported project should be a salient factor in its funding is complex and not easily answered. Proponents of the inclusion of FBOs in international assistance programs argue that these organizations are out in the field doing good work that can be supported in areas that also coincide with American interests. They see the philosophical and resultant legal obstacles as simply hindering good work to alleviate human suffering, ease poverty, and foster greater opportunity. From a policy standpoint such an inclusion allows for more effective distribution of public services by NGOs. Finally, the inclusion of FBOs avoids overt discrimination against organizations that have a religious motivation.

Opponents of employing FBOs express great concern over four major consequences of lowering the barriers. They clearly believe that funding FBOs violates the Establishment Clause. Second, some have a perception that Christian FBOs are favored over non-Christian NGOs. Third, opponents are also troubled over the hiring exemption for religious groups, arguing that this is not consistent with Civil Rights legislation. Fourth, they believe that FBOs will not be able to cleanly separate inherently religious from eligible activities; such a failure could suggest to the villager in Kenya—particularly if the villager lives in the predominantly Muslim coastal area and his well was dug by a Christian FBO—that the United States government is underwriting Christian evangelism. This could fuel perceptions in Muslim countries that the United States is funding FBOs in order to seek converts and extend Western influence.

There are also, of course, political considerations as well. The faith-based initiative is seen as favoring a key political constituency of the Republican Party. This naturally—if unfairly—frames the issue in partisan terms. Related, domestic hot-button issues such as abortion and contraception have become projected onto international funding policies and programs. Therefore, the political battles do not stop at the water’s edge, but wind up being fought in places like Mexico, Uganda, and Thailand. Finally, there are winners and losers in the funding wars, and FBOs have increased their “market share” of such funding—at the expense of organizations that may find a more sympathetic ear among Democrats.

Much has been learned since the faith-based initiative began. It is important to note that any policy change by definition upsets the policy status quo and will provoke heated debate before some type of equilibrium is reached. The policy changes have indeed had a major impact. While many FBOs such as Catholic Charities and World Vision have participated in federal programs
for international assistance for years, it is clear that the lowering of regulatory barriers substantially increased the participation of FBOs. Concurrently, new international funding initiatives such as PEPFAR dramatically increased the funds available to NGOs. In this sense President Bush’s desire to assist FBOs financially in “doing good” has been successful. Nevertheless, opposition to the initiative has been and will remain fierce, especially with control of Congress shifting to Democrats.11

In addition, as any economist will tell you, people respond to incentives. Federal funding affects people’s behavior on all sides of the debate. Policy disputes over prostitutes, condoms, and abstinence affect the award of funding, which in turn affects people’s livelihoods. The sums of money involved are considerable, and thus the stakes are high.

Importantly, the international dimension of such work makes problems and disputes more difficult to resolve by legislation or judicial ruling. The applicability of American law to geographical areas outside its jurisdiction is relatively undeveloped. Furthermore, not only do legal systems differ, so do cultural views on faith. Countries in the developing world often make a less sharply defined distinction between religion and state. Individuals in the Christian parts of Africa would not be likely to object to—or even notice—a mixture of “inherently religious” and “eligible activities” run by Christian-based FBOs. But in many Muslim areas of the world, a popular current of anti-Americanism combined with a population generally less tolerant of religious pluralism would likely react very negatively to any evangelistic thrust alongside a U.S.-funded development project.

One difficult issue is preserving the identity of the FBO through hiring. As seen earlier, different FBOs have addressed this in different ways. SIL, for example, developed a sister organization, Wycliffe Bible Translators, that related to a Christian constituency. Even though SIL does not receive federal funding, this division allowed the more scientific and educational SIL to separate inherently religious from eligible activities more cleanly while still maintaining a Christian identity for its core mission. This is not a perfect solution, but it is one such model. It may be that other FBOs will have to devise ways to separate their activities in order to respond to concerns about hiring discrimination while still being true to their principles.

The issue of accountability of grant recipients is not unique to FBOs but does present unique characteristics. As mentioned, many societies do not make strong distinctions between religious and secular spheres. FBOs themselves would tend to be more sympathetic to this holistic view. They are funded, however, by a government that makes these distinctions quite clear. At the same time, the organizations are outside the reach of American jurisdiction and are often implementing grants in remote regions. It is at this point that the more decentralized structure of an agency like USAID is best placed to ensure accountability. The organization often has offices in the countries where the grant is being administered. Most important, the terms of the grants also need to be clear to the faith-based grant recipients, many of whom are new, inexperienced, and enthusiastic about doing good.

Finally, the efficacy of the programs is the standard by which all must be judged. USAID makes this case in its rules. Was the hospital built, the well sunk, the literacy program successfully established, and the famine relief food shipment delivered? If the faith-based elements interfered with these deliverables, then this is a matter subject to close scrutiny. Yet clear rules, while essential, do not remove the complexities and tensions inherent in faith-based foreign aid. On the one hand, for instance, it may indeed be prudent that, in certain Muslim areas, heightened local sensitivity to any explicitly religious activity by non-Muslim organizations should preclude on-the-side evangelism. On the other hand, what business is it of the federal government if an American citizen implementing an agency grant tells others about his or her faith in a context that is clearly separate from the grant program? The USAID formula of “neither discriminates for nor against” is a way forward, but the
principles behind that formula apply as well to FBOs funded by the taxpayer. In other words, in this politically charged and constitutionally delicate issue domain, what is needed is balance and sensitivity—the very traits so needed by anyone seeking to work in foreign fields.

7. Ibid.
8. This doctrine holds that some religious institutions are so pervasively sectarian that their secular activities cannot be separated from their religious nature; therefore, no government funding could be given at all.
10. The Boston Globe published an excellent four-part series on government funding of internationally-oriented faith-based international organizations. The major objections to such programs were well-researched and presented. See http://www.boston.com/news/nation/articles/2006/10/08/bush_brings_faith_to_foreign_aid/.