
US International Affairs: Maintaining American Leadership

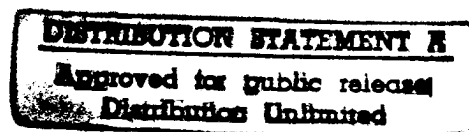
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April 8, 1997

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19980113 219

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Executive Summary

In September 1996, the Brookings Institution and the Council on Foreign Relations jointly convened the Task Force on Resources for International Affairs to examine the scope and nature of US programs in international affairs and strategies to ensure appropriate levels of funding for those programs. The Task Force highlighted the stagnation and decline of funding to international affairs during the last decade and focused attention within the executive, legislative, and private sector communities to the potentiality that important Americans interests would be foregone if international affairs funding continued its current trend in appropriations.

This report seeks to build upon the Task Force's initial assessments and further explore the impact of foreign affairs programs upon US national interests. It attempts to assess the organizational alignment of the Executive Branch community of policy makers and implementors and offers recommendations concerning how this community can more effectively function within its legislative and public authorizing environment.

International Affairs and the National Interest

The economic, diplomatic, developmental, environmental, and humanitarian considerations which international affairs programs pursue provide important tangible and intangible benefits which complement more traditional military security interests and postures. They create jobs, advance democracy, promote humanitarian values, strengthen

alliances, and stabilize the international arena. Continued funding for international affairs programs is an important investment in protecting the future of vital US national interests.

International Affairs: Congress and the Executive Branch

The nature of the authorizing environment in which foreign affairs policy is formulated and implemented is a complex, multifaceted arena in which agency distinctions and justifications for funding are often blurred. The organizational cultures and structures of the Executive Branch agencies have developed largely as a result of the set of public and inter-agency relationships characteristic of the Cold War, and as such, are fundamentally unsuited for pursuing US national interests in the dynamic international arena of the 21st century

Recommendations.

To build constituent support for funding of international affairs and assist this community in its current efforts to prevent its budget from sustaining further cuts a three fold strategy is required:

- Shaping a Vision of the Future
- Organizing to Meet New Challenges
- Creating Public Engagement

This strategy must clarify the relationships within the authorizing environment, address cultural and organizational misalignments, and work to create substantive interaction with the American public on issues of foreign policy. It involves framing and articulating a

conceptual paradigm of leadership, engaging public and congressional overseers on the substantive issue of foreign policy in ways that reduce the traditional insulation of foreign policy as an Executive Branch activity, and organizing the community itself to better utilize resources within its existing agencies and within interested non-governmental groups.

This report seeks to address the fundamental issues which confront the aggregate community, rather than the myriad of particular organizational and resource issues which confront specific agencies and actors within the community. It is intended to be an informative, organizational document to highlight specific areas of interest to which the community must address and devote its own considerable expertise and resources.

Accounting for International Affairs

The Function 150 Account of the US Federal Budget is the official accounting mechanism for funding US programs in international affairs. It consists of the operating budgets and programs of the State Department, the Agency for International Development (USAID), the United States Information Agency (USIA), and the Arms Control and Disarmament Agency (ACDA), as well as funding for international development and humanitarian aid, international security assistance and military aid, and US contributions to international organizations and to the multilateral development banks. A descriptive breakdown of the 150 Account may be referenced at Appendix 1.

Since 1984, funding for international affairs has stagnated and declined in real dollar terms and support for this budget as a tool for achieving US national interests has been conspicuously absent. The FY 1997 budget for international affairs is \$18.1 billion, approximately 1.2 percent of the total federal budget.¹ Under Congress' plan for a balanced budget (based on projections by the Congressional Budget Office), spending in this area would decline from its current level, to \$13 billion by 2002.

In its January 1997 report, the Task Force on Resources for International Affairs argued the current funding level for the 150 Account hampers US ability to conduct many

¹ This and all subsequent references to the FY 1997 budget are drawn from Budget of the United States, FY 1998, Table 31, "150 International Affairs Discretionary Budget," (Washington, DC: Government Printing Office, 1997) pp. 218-220.

basic overseas operations and that further cuts in the budget would seriously undermine US influence abroad and weaken our ability to pursue vital national interests. Without attempting to define what the "right" appropriation should be, the following report attempts to assess the challenges to gaining public and congressional support for either maintaining or increasing real spending on the 150 Account even as Congress progresses toward balancing the federal budget.

With the convening of their Task Force to address the issue of shrinking resources for international affairs, the Council on Foreign Relations (CFR) and the Brookings Institution have raised awareness among policy makers of the consequences of allowing international affairs funding to deteriorate further. However, the foreign policy community has not brought this argument to the American people, whose misperceptions about the size and importance of US funding for international affairs could have substantial impact on the Capitol Hill authorizing environment which is openly hostile to funding for most international affairs programs.

The 150 Account and National Interests

While a strong link exists between international affairs initiatives and the larger concept of US security, the international affairs community has been unable to articulate its impact or effectiveness to an authorizing environment characterized by stiff competition for a portion of the shrinking federal budget. If the international affairs budget continues to sustain severe cuts, important economic and non-military security options for

maintaining our international leadership will be foregone, and US influence in world affairs will be further eroded. The programs funded by the international affairs budget contribute substantially and directly to the advancement of US humanitarian, economic, security and diplomatic interests. These contributions create tangible and intangible benefits which if understood and articulated could lead to appropriations more commensurate with the scope of the US mission and interests abroad. The following chapter attempts to assess such benefits.

Humanitarian Benefits of Foreign Assistance

US humanitarian efforts overseas are coordinated and implemented by USAID and the Office of Humanitarian and Refugee Affairs (HRA) in the Department of Defense (DoD). HRA is funded out of the Defense Department appropriation, which falls under the Function 50 Account. It works with USAID, the State Department and Congress, to develop DoD's role in humanitarian and disaster relief operations. USAID's mission is to coordinate all foreign disaster assistance and promote sustainable development by encouraging economic growth, strengthening democratic institutions, promoting public health, protecting the environment and stabilizing population growth.² In response to congressional criticism and to prevent further damaging cuts to its budget, the agency has undertaken an internal reorganization. Since 1993, budget cuts have closed twenty-three

² USAID, WWW.INFO.USAID.GOV p. 1.

overseas missions, reducing the number from 100 to 77.³ In five years, the agency will maintain full-scale missions in only thirty countries, with the capacity to launch missions in ten transitional nations and maintain narrowly defined missions in another twenty.

Through USAID, the US government provides food, shelter and other relief to millions of victims of natural and man-made disasters around the world. These programs not only reflect the American ethic of assisting those in need, but contribute substantially to preserving stability in some of the world's most volatile regions. For instance, in 1994, USAID Disaster Assistance Response Teams (DARTs) and US military personnel helped establish a clean water system for Rwandan refugees in Goma, Zaire to stop a cholera epidemic which had already claimed tens of thousands of lives. In 1994, a DART team assisted several private voluntary relief organizations in Bosnia-Herzegovina to help provide food, medical care and shelter to the more than 4 million people whose homes and livelihood had been destroyed after years of fighting.

USAID also administers the PL-480 Food for Peace program, established in the 1950s to promote US farm exports. About one-fourth of the program's \$877 million budget is designed to improve exports, but the largest portion is donated to emergency and humanitarian feeding programs administered by private voluntary organizations and multilateral organizations.⁴

³ Thomas Lippman, "US Diplomacy's Presence Shrinking" The Washington Post 3 June 1996, p. A. 1.

⁴ Casimir A. Yost and Mary Locke, US Foreign Affairs Resources: Budget Cuts and Consequences, (Washington, DC: Institute for the Study of Diplomacy, 1996) p. 35.

In addition to disaster relief and food aid, USAID administers highly successful public health programs, including immunization, HIV/AIDS prevention, family planning and rehydration. USAID estimates that its immunization programs save nearly 3 million lives every year. A simple therapy developed through USAID programs in Bangladesh to combat dehydration saves more than one million lives every year.⁵ Using American technologies to improve international public health raises US standing among foreign populations, works to prevent more costly responses to full scale humanitarian disasters, and decreases the threat posed to US and allied citizens by the spread of disease.

Economic Benefits of Foreign Assistance

The US administers its economic assistance programs through multilateral aid, bilateral aid and export assistance programs. While these programs steadily generate return on invested dollars, one of the most damaging misperceptions about US international affairs spending is that "foreign assistance" equates to "international welfare"-- an expensive foreign give-away that drains resources for domestic programs and creates little benefit in return. In fact, foreign assistance contributes substantially to US economic prosperity, creating a positive environment for US trade and investment overseas and yielding a high financial return.

⁵ USAID, WWW.INFO.USAID.GOV "Why Foreign Aid?" p. 3.

Multilateral Aid

The 150 Account includes funding for US contributions to the World Bank, International Monetary Fund (IMF), International Development Association (IDA), International Finance Corporation, and the five regional development banks. US funding for multilateral aid in FY 1997 is \$1.01 billion, compared to the \$7.15 billion bilateral aid budget.⁶

There is much debate as to the wisdom and efficiency of advancing US economic development interests through these international institutions. Continuing to reduce US contributions to multilateral organizations and focusing our efforts solely on bilateral economic assistance would give US policy makers more direct control over how and where our aid dollars are spent. However, many argue channeling US money through multilateral institutions is the most cost effective means of advancing international development. US investment in development assistance encourages contributions by other nations that bring the development banks' lending capacity to roughly twenty dollars for every one dollar contributed by the US.⁷ However, reductions in official development assistance (ODA) have dropped the US into a three way tie with Germany and France for second place (behind Japan) among Western nations.⁸ Further cuts in funding will make it more difficult to leverage the resources of these institutions in support of policies and

⁶ Does not include contributions to or dues owed the United Nations.

⁷ Yost and Locke, p. 30.

⁸ Development Assistance Committee of the OECD, "Financial Flows to Developing Countries in 1995", OECD, Paris, 11 June 1996, chart page 11.

programs important to US foreign policy objectives. While there is disagreement as to the size of the “multiplier” or “leveraging” effect, continued reductions in US multilateral aid will undermine the US position of authority in multilateral organizations.

Bilateral Aid

More than 85 percent of US foreign assistance is administered by USAID, which works closely with US business, private organizations and universities, relying on them to support and expand upon USAID’s development projects. USAID contracts with more than 3,500 US firms and over 300 US-based private voluntary organizations to build and implement many of the agency’s foreign assistance initiatives. The agency estimates that close to 80 percent of its grants and contracts go to American firms and non-government organizations (NGOs), directly accounting for more than \$10 billion in purchased US goods and services in 1993 alone.⁹

Building Global Markets

During the Cold War, foreign assistance enjoyed broad public and congressional support as a highly effective tool for promoting the spread of democracy and supporting our democratic allies. The collapse of communism and the emergence of dozens of new democracies since 1990 has called into question the once unquestionable link between foreign assistance and our national interests. Yet this link has by no means disappeared,

⁹ USAID, “Why Foreign Aid?” p. 2.

but merely shifted in its policy focus. US economic interests have become increasingly salient as "security" or "prosperity" concerns and US prosperity is closely tied with global economic conditions. Foreign assistance programs continue to improve foundational economic conditions in areas which either directly or potentially contribute to US prosperity.

In particular, many of USAID's programs help build a positive environment for US trade and investment overseas. USAID provides technical assistance to developing countries to establish fair business codes, viable commercial banks and reasonable tax and tariff standards. Many of these basic financial tools have never been used in developing countries, and are key to establishing viable private sector economies. Moreover, the establishment of systematic, reliable financial rules and institutions make it profitable for US companies to invest overseas. Developing economies that are able to attract private investment to fuel their growth become self-sufficient contributors in the global market place.

A High Return on Our Investment

Because successful development plans are often implemented over the course of many years, rather than within the congressional fiscal funding cycle, the long-term benefits of these programs are often difficult to point to as justification for further funding. However, US foreign assistance programs have been at work worldwide for several decades and have yielded substantial results. The \$15 billion invested over the last ten

years in technical assistance for energy sectors in developing countries has created a \$50 billion annual market for private power in those countries, the largest share of which has been captured by US firms. In Indonesia, a \$3 million investment in support of the privatization of the energy sector has yielded a \$2 billion contract for a US firm to provide that country's first private power source.

Assistance programs that help developing countries build and expand their industry create significant, long-term demand for US goods and services. From 1993 to 1995, American exports to developing countries accounted for nearly forty percent of total US exports.¹⁰ The massive development policies executed after WWII under the aegis of the Marshall Plan created the vital US markets in Europe and Japan and fueled US economic prosperity throughout the latter half of this century. USAID estimates the US now exports more to South Korea in one year than we gave that country in development assistance in the 1960's and 1970's. As Europe and Asia have roles as US partners and competitors in the global market, the expansion of markets for American goods and services in developing countries has become increasingly important to our economic success. Continued support for economic development stands as a profitable investment.

Security Benefits

US foreign assistance to western Europe through the Marshall Plan helped stabilize our allies and created an important export market. During the Cold War, US

¹⁰ Ibid., p. 7.

foreign assistance programs were a cornerstone of the political and economic containment of Soviet communism, promoting stability and advancing the spread of democracy. The effects of such programs have been dramatically illustrated in the years since the collapse of the Soviet Union. Similar programs are continuing to produce viable results in the post-Cold War world.

Security Assistance

The primary elements of security assistance in the 150 Account are the Economic Support Fund (ESF) and the Foreign Military Financing (FMF) accounts. ESF is economic assistance given solely for security reasons. The current ESF budget is \$2.36 billion, more than 88 percent of which goes to Israel and Egypt. ESF funds are distributed either in cash, as payments for US goods through the Commodity Import Program, or as regular development assistance.¹¹ FMF allows recipients to purchase US military equipment either directly through the government or through commercial channels. The current FMF budget is \$3.08 billion, of which \$3.1 billion will go to Israel and Egypt and approximately \$60 million is earmarked for member nations of the Partnership for Peace. While US security assistance has declined in real terms since 1991, strong support in Congress has insured that it still makes up almost 45 percent of US foreign aid.

¹¹ Yost and Locke, p. 33

US spending on security assistance programs is an investment in the future of our national security interests. It allows policy makers to minimize instability in regions of strategic importance and prevent the much costlier and potentially devastating need for direct US involvement in a developing crisis. It also works to solidify US influence in these regions, a role of particular importance in transitional countries, such as the former republics of the Soviet Union.

Consolidating Our Cold War Victory

In 1980, there were 58 democratic nations. By 1995, there were 115. The very success of the West's containment strategy and the tremendous spread of democratic government around the world is often cited as justification for scaling back US foreign assistance efforts. However, without continued aid and technical assistance, many of the countries attempting the difficult transition to democracy may not succeed. To consolidate our Cold War gains and truly reap a long-term "peace dividend," the US has undertaken government and democracy assistance programs in 36 of the 57 newly emergent democracies. US bilateral assistance for Eastern Europe will total \$475 million with another \$640 million in assistance going to former Soviet states. The major recipients of US bilateral assistance are either of strategic importance to US security interests or burdened with conflict-related needs.

Table 1.
Major Recipients of All Types of US Bilateral Aid, 1996
(in millions of dollars)

Recipient	Amount	Recipient	Amount
1. Israel	3,000	9. South Africa	125
2. Egypt	2,227	10. Ethiopia	115
3. Russia	320	11. Rwanda	110
4. Bosnia	310	12. Peru	95
5. Ukraine	245	13. Armenia	95
6. Jordan	180	14. Bolivia	85
7. India	160	15. West Bank/Gaza	75
8. Haiti	125	16. Bangladesh	75

Source: US Agency for International Development, Congressional Presentation Summary Tables, Fiscal Year 1997 (July 1996), pp. 38-41.

In South Africa, Eastern Europe, the West Bank and Gaza, US support for voter education, party building, election monitoring and public information campaigns has helped democracy stake strong roots in new ground. In the former Yugoslavia and throughout the former Soviet Union, tremulous progress toward peace, democracy and free markets threatens the political stability of one of the most strategically sensitive regions of the world. While we are focused on making the most of the post-Cold War global economy, the peace and stability upon which these opportunities rest will never be entirely secure. Thus, in the foreseeable future, democracy will continue to be our most important export.

Political Benefits of International Affairs

The 150 Account funds the operating budgets for the overseas activities of the State Department and USIA. This budget pays the costs of maintaining US embassies, consulates, staff, technicians, and advisors that constitute the American presence in foreign countries. This diplomatic infrastructure provides the 'eyes and ears' of US international affairs policies. In addition to serving the needs of Americans working and traveling abroad, it works with American businesses to build investment opportunities, it forms the daily foundation for our relationship with allies and adversaries, provides policy makers in Washington with crucial first-hand information and it establishes a network for engaging foreign governments and individuals on a host of issues relevant to US national interests. In short, the US diplomatic presence overseas embodies US activism and leadership in international politics. Cuts in the international affairs budget have already severely damaged our ability to back our vision of leadership with substance.

Maintaining the US Diplomatic Infrastructure

Since 1990, the US has opened 27 new diplomatic posts (embassies or consulates) to accommodate the breakup of the former Soviet Union. With a shrinking budget, this expansion had to be offset with the closure of 30 posts throughout the world. In addition, the number of political and economic officers stationed overseas has been significantly reduced since 1990, and the size of the Senior Foreign Service cut by fifteen percent since

1993. Many of these cutbacks have eliminated duplicate or unnecessary staffing and have been accompanied by reductions in bonuses, mid-level awards, and travel allowances.

While international affairs agencies can clearly increase efficiency in some areas, current cuts are creating gaps in their ability to fulfill their missions overseas. Forty-three percent of language-designated positions in US posts are not filled by language-qualified staff. Communications within, between and among US posts overseas are severely hampered by obsolete information technology and inadequate computer and telephone systems. This degradation of the basic tools for conducting the diplomatic mission severely undermines its efficiency and productivity and hinders achievement of core foreign policy functions.

Maintaining US Leadership in the United Nations

Hailed after the Cold War as the one remaining superpower but faced with resource constraints and a lessening of the political will for continuing unilateral activity around the world, the United States the 1990s has faced a conundrum about the use and purpose of its political and military influence overseas. The end of the bi-polar conflict has somewhat lessened the gridlock in the United Nations Security Council, and both Presidents Bush and Clinton have frequently availed themselves of the resources and moral authority of this multilateral organization. The UN-sanctioned multilateral support for US intervention in the Persian Gulf and Haiti was of great importance to policy makers and the public, which was wary of unilateral US action in which American troops and

taxpayers would alone bear the burden of maintaining international order. Our ability to continue to exert leadership of this nature in the UN will gradually erode as long as our dues remain unpaid. The irony is that, at no time since its inception has the United Nations been engaged in promoting peace and democracy around the world, and at no time has it received less support for its work from the United States.

Today, the US owes approximately \$1 billion in unpaid dues to the United Nations. Continuing this bad citizenship undermines global US leadership, degrades the legitimacy of the legal framework for international relations and hampers our ability to work within the UN to accomplish our foreign policy goals.

Aggregate Interests

Taken as a whole, US international affairs programs work to promote long-term US national interests. In addition to fulfilling our humanitarian obligations, they act as market creators, regional stabilizers, resource leveragers and maintain our vital security network. They shore up US international political influence, project US power in non-military fashion and support the development of new democracies. A talking paper summarizing the major links between US national interests and the returns on international programs may be referenced at Appendix 2.

Assessing the Authorizing Environment

The Nature of the Beast

Given what seems to be a relatively defined, articulatable set of policy interests directly affected by foreign affairs programs, the question remains how is it that the funding for these interests has been one of only two budget areas to stagnate or sustain appreciable cuts in real dollar terms during the past decade? The traditional and instinctive answer is that the Cold War is over and with no monolithic public threat to be countered, the necessity for continuing traditional funding levels has been alleviated. However, this answer is incomplete for though the nature of the challenges to US security and national interests have fundamentally changed, they have by no means been eliminated or substantively decreased. Herein lies the core of the foreign affairs dilemma--new and uncertain challenges which the US continues to meet with traditional paradigms. The international arena, in terms of nation state and multinational actors, markets, capital structures, technology, cultural definitions, and intellectual mind sets has drastically changed from that of the Cold War period. Yet, the functional forms, organizational cultures, and relationships of public accountability of the departments and agencies charged with pursuing US interests within that arena have remained largely unscathed by these emerging dynamics.

It is insufficient simply to reiterate "the Cold War is over" and sound the clarion trumpet call for reorganization, slashing bureaucracy, and doing more with less. Current

proposals to reform the State Department and other agencies of the international affairs community or to reapportion funds within the existing budget structure amount to little more than tinkering at the margins, and can be expected to produce only marginal returns on expenditures, if in fact they are not coupled with a recognition that the community writ large in which these agencies operate and interact with their Executive, Legislative, and Public overseers is fundamentally misaligned and incapable of addressing post-Cold War security challenges. The problem is not merely with the arrangement of the particulars, but with the shape of the organic whole.

This misalignment is a natural function of the monolithic nature of the Cold War threat and its subsequent influence on the various actors within the foreign affairs community. The existence of a "public enemy number one" seemingly mitigated the necessity for public engagement in the formulation of foreign policy. Here was an enemy to be opposed at every front, no matter the cost, and against whom public sentiment was overwhelmingly opposed. Engagement between policy makers and implementers, implementers and legislators, and the policy community and the public largely assumed the form of an agreement that the current means were in fact the correct ones toward achieving a commonly known and accepted end.

This lack of inter, intra, and extra community dialogue contributes to two important results. First, the Executive Branch community of policy makers and implementers has become an elite--largely insulated from the levels of public and legislative input and accountability common to programs of a domestic nature. Second,

with the assumption of a clear, macro-level goal whose achievement would be more or less visible, the necessity for intermediate operational outcomes and incremental measurement as a means of evaluating policy success and justifying proper funding levels played far less a role than in the current policy environment marked by intense competition for resources and a lack of clearly articulated end states. This lack of operational focus in terms of measurement and intermediate outcomes only exacerbated(s) the problem of substantive public engagement by focusing the dialogue more intently upon macro level goals than is the case today where there is greater demand for immediate return on invested funds. In conjunction, these factors contributed and continue to contribute to a perennial problem of the foreign affairs community--the lack of a public constituency, despite the existence of programs and investments which are clearly working to promote US interests. These three qualities--lack of operational focus and measurement systems, the insulated nature of the policy community, and a lack of public constituency--characterize most significant actors within the arena and confuse inter-actor relations. A schematic illustration of the development of these characteristics may be referenced at Appendix 3.

The Executive Branch

The President

The arena of foreign policy formulation and execution is one in which the President and his designates can exercise perhaps the greatest levels of initiative and

discretion with a relatively low level of legislative coordination. Whether as a result of legislative and public misunderstanding, indifference, political calculation, or acquiescence (or more likely, a combination) the President and the Secretary of State have been delegated as the primary actors to provide coherence and direction to US posture with an extraordinary level of independence. In an Administration characterized by a strong domestic focus and relative inexperience in the international policy making arena, the willingness to expend political capital to highlight the importance of foreign policy to either Congress or the public has been understandably low. Moreover, leadership at the highest levels continues to display the kind of nebulous, non-operational thinking which has traditionally characterized the foreign policy community. Anthony Lake's description of "pragmatic neo-Wilsonianism" is adequate to provide theoretical coherence and structure to US policy, but only in an academic sense. Such explanation of posture is largely inadequate to allow for the kind of operationally focused goals, objectives, measurement systems, and changes in organizational structure and culture which will be necessary to ensure efficient expenditure of tax dollars and effective pursuit of US interests. In the eyes of both the public and policy community, there is a leadership vacuum from the very source which has traditionally been the rallying point of policy.¹²

This vacuum is further intensified by the dynamic nature of the increasingly global market place where traditional stratification of interests no longer seem to hold true.

¹² Ambassador Craig Johnstone, Undersecretary of State for Resources, in an interview with the authors, 8 January 1997, Washington, DC.

Whereas national security has traditionally been considered largely in terms of political and military security, broader definitions of national security have begun to surface. Factors such as economic competitiveness, environmental issues, trade, and important regionally specific considerations such as in the Pacific Rim or Commonwealth of Independent States, have become important components of US security in a more broadly defined sense. While this does not imply such issues have eclipsed or equaled the importance of traditional military security concerns, it highlights that such issues have resonance in the public mind and real significance which cannot be discounted. As earlier illustrated, foreign affairs programs have a substantial impact on a number of these national interests. Yet, the impact is largely unmanaged and unintegrated at all but a very tactical level. While traditional security issues have been coordinated across a number of functional areas by the National Security Advisor and his staff, no such National Security Council equivalent exists in a broadly functional way for trade, commerce, justice, and treasury issues, each of which is directly affected by foreign affairs programs.

The State Department ,USIA ,AID , ACDA

The current effectiveness of the Executive Branch agencies charged with carrying out US foreign policy is fundamentally comprised of organizational structures and cultures developed during the Cold War which have not adapted to meet the reality of a dynamic international arena. In a community heavily driven by Presidential and Secretarial leadership, the lack of clarity of purpose and objective in stated objectives has been clearly

felt.¹³ While the Administration has developed the crucial ability to respond quickly to current crises, it has been unable to articulate a paradigm by which current crisis management is coherently working to meet US interests. While the community recognizes the need to restructure and align itself to improve operational efficiency, a lack of paradigmatic purpose makes efforts to restructure largely premature. Current initiatives to change the functional structure of State are perhaps best understood as an attempt to focus the Administration's attention to the issue of foreign affairs.

This insufficient level of leadership is made more severe by the fundamental organizational culture which marks the State Department and its cohort agencies. "When asked as part of the Strategic Management initiative to identify the most valuable service performed by overseas personnel, many members of the Washington policy community selected 'analysis'."¹⁴ At a very fundamental level, "analysis" does not appear to be the comparative advantage of agencies within the foreign policy community. Clearly officers and staff provide excellent analysis of political, economic, and regional developments and implications for US interests. However, analysis of this nature and quality could arguably be more efficiently produced in the intelligence or academic communities, or even private sector organizations. The comparative advantage of the community lies more clearly in its network of capabilities and organizations which synergistically effect and influence

¹³ Ibid.

¹⁴ Lawrence Eagleburger and Robert Barry. *Dollars and Sense Diplomacy: A Better Foreign Policy for Less Money*. Foreign Affairs, Volume 75, No. 4, July/August 1996.

developments abroad. If this network can be actively managed in such a way as to identify and manage complementary functions within the community and match those functions as a leveraging arm with operations from other Executive Branch agencies, such as the Departments of Commerce and Treasury, the multiplier effect of preventative diplomacy, sustainable development programs, and other foreign affairs operations would become more readily apparent.

The organizational culture of analysis exacerbates the already nebulous network of agencies within which there are few operational objectives. As Eagleburger notes, "if anything, the problem is a suffocating deluge of analysis."¹⁵ There is a greater emphasis on being "right" in a theoretical, academic sense than in being practical in the manner of thinking such that functional objectives are defined and achieved. Operational focus in terms of resource deployment, action planning for public outreach, strategic planning for regional or functional end states which can be measured incrementally are all extraordinarily important facets of the community which are largely subsumed by the mantra of analysis which the community bears in its interagency relationships and in its dealings with Congress.¹⁶

The Nature of the Language

A measure of this analytical, academic focus is inherent in the nature of international relations, particularly diplomatic efforts. The language which is intrinsic to

¹⁵ Ibid., p 8.

¹⁶ Amb. Johnstone, 8 January 1997.

the process is relatively elastic and nondescript such that multiple actors can draw multiple meanings from a set phrase, document, or instruction. While such elasticity is necessary to achieve some measure of political consensus both in domestic and international forums, it confounds the organization on two levels. First, it works against the transition from the necessary diplomatic language to the concrete, operational language necessary to construct intermediate objectives which are measurable and articulatable. Second, lacking such operational outcomes, agencies must communicate with their legislative and public authorizers using the same diplomatic jargon. The public, and Congress in particular, find such soft, flexible language unacceptable and not sufficient to justify continued funding of current international affairs programs. The public reacts in frustration by becoming increasingly distant from the policy process, further isolating the community from its potential supporters. Within the community there is the perception that the public's withdrawn stance is prompted by a lack of interest in and knowledge of the complex and often nebulous processes of foreign affairs operations, rather than the result of Cold War mechanisms of public engagement and organizational culture.

Congress reacts to public disinterest by freezing or cutting funds from the 150 Account and will continue to do so until cogent and compelling reasons can be articulated why these programs should be maintained.¹⁷ Until agencies within the community develop a system of operationally focused goals such that they are able to measure progress and provide some rough estimation of return on tax dollars appropriated, in terms of regional

¹⁷ Steven K. Berry, former senior staffer to Senator Jesse Helms, in an interview with the authors, 9 January 1997, Washington, DC.

influence or capabilities, it will continue to be unable to effectively interact with Congress or potential constituents in the public sector.

The Legislature

Lack of Constituent Pressure

The foreign policy community's lack of operational goals or metric system and its insulated nature creates a disconnect between policy makers and their authorizing environment that is self-propagating. As the community has become increasingly insulated from the public and the public understands less clearly the function of international affairs efforts, the relationship between the community and its legislative overseers is also exacerbated. Members lack any sort of constituent pressure to maintain levels of funding commensurate with a mission which exists but which is not articulated to Congress or the public. Members receive such extraordinarily low levels of grass roots feedback from those interested in foreign affairs that there is virtually no organized domestic pressure to focus their attention to this budget.¹⁸ Constituencies for foreign affairs budgets are largely comprised of representatives from functional agencies themselves, a lobby hardly suited to convince members of the validity and necessity of current efforts. The foreign affairs budget is thus increasingly vulnerable to cuts or misappropriation of funds (read budget raiding) for other domestic projects. Members who seek funds to pay for pressing

¹⁸ Ibid.

domestic programs for which there is clear constituent demand find an unprotected reserve in the foreign affairs budget which may be demagogued and depleted.¹⁹

Informing Members of Congress

This problem of lack of constituent interest is likewise fueled by a lack of member interest and understanding. With the exception of select actors on relevant subcommittees, members are generally concerned with the foreign affairs community only when a vote on appropriations is scheduled. During this time, a member may receive a twenty minute briefing on the contents of the budget and the position of the relevant party with respect to that budget.²⁰ This is hardly sufficient to inculcate the kind of detailed understanding the foreign policy community requires if its mission is to be understood, supported, and funded.²¹ There is a general misunderstanding among members, and particularly new members, as to what the budget entails, how the money is spent, and how each agency functions to meet US interests.²² Members are unlikely to devote staff

¹⁹ Jim Kulikowski, staff member, Subcommittee on Commerce, Justice and the State Department, House Committee on Appropriations in an interview with the authors, 10 January 1997, Washington, DC; and Amb. Craig Johnstone, 8 January 1997. In strikingly parallel language, Johnstone and Kulikowski each described the manner in which members articulate America's "inability to sustain the vast expense of foreign affairs programs" which actually constitutes only 1.2 percent of the budget while purposing to use funds deleted from the 150 Account to pay for projects of particular interests to their constituents.

²⁰ Kulikowski, 10 January 1997.

²¹ Ibid.

²² Amb. Johnstone, 8 January 1997.

resources to study extensively, a sector which accounts for 1.2 percent of the federal budget and which holds few ramifications for reelection.

Moreover, the traditional means of increasing a member's familiarity with particular programs are travel based--host nation and field operations visits.²³ This mechanism is likely to yield a strong image of the working particulars of the host organization but of an insufficient depth or width. It is unlikely to yield a solid understanding of how the organization being observed actually complements, supports, or interacts with other agencies in the US foreign policy community or actively contributes to pursuing macro-level US interests. To the extent that members who have made field visits are more actively and conscientiously engaged in foreign policy, travel is a useful--but limited and expensive --tool for educating Congress. Currently, few formal mechanisms exist for educating members as to the scope, structure and methodology of foreign affairs programs. While the academic community and interested non-governmental organizations such as the Brookings Institution and the Council on Foreign Relations could play a large role in increasing awareness and educating members, they currently offer little sustained effort to fill this vacuum. The fact that this budget is not highly resonant in the public mind and has little public constituency, while detrimental to the community as a whole, affords the academic and non-profit community an important opportunity to contribute to the maintenance of foreign affairs funding. Members who understand the nature and

²³ Kulikowski, 10 January 1997 and Berry, 9 January 1997.

importance of the budget are free to vote conscientiously for its preservation, lacking organized pressure from constituents for cuts.

Congressional Divestment

Added to the problems of misinformation and lack of interest, Congress has become increasingly divested from the foreign policy process during the last decade as the direction and operations of foreign policy has been relegated largely to the Executive Branch. Lacking constituent pressure and interests, congressional leadership has no grass roots impetus to more actively involve themselves in the foreign policy arena. There is likewise a lack of horizontal impetus which would be provided by communication with Executive Branch agencies and the President. Congressional leaders are increasingly frustrated by lack of inclusion in the decision making process for shaping American posture in the international arena, a frustration which is tangibly manifested in congressional refusal to appropriate funds to pay arrears to the United Nations and refusals to consider increasing the 150 budget without signs of significant reorganization.²⁴ A diagram illustrating the foreign affairs communities' alignment with respect to Congress and the public can be referenced at Appendix 4. A comparison of this alignment to that of the defense community can be referenced at Appendix 5.

²⁴ Berry, 9 January 1997.

Executive and Legislative Interaction

The primary formal communications vehicles for Executive Branch interaction with Congress are the House Committee for International Relations, the Senate Foreign Relations Committee, and the subcommittees on Foreign Operations and Commerce, Justice, and State of the House Appropriations Committee. Executive Branch agencies are marked by competition, rather than cooperation at the level of appropriations testimony.²⁵ This increased competitiveness for shrinking budget dollars has led agencies to articulate their justifications to match the prevailing sentiment of congressional appropriators. Rather than concisely articulating the missions and impact which agencies are designed to fulfill, testimonies have increasingly borrowed from the accepted economic justifications of agencies such as the Commerce or Treasury Departments. Foreign affairs operations do produce economic benefits which are significant, and while this should not be overlooked, this is not their comparative advantage with respect to agencies more explicitly tasked with generating economic return. There are in fact, concentric layers of justifications for the 150 Account, each agency contributing specific functions (of which economic return is a clear one for several agencies), but also leveraging other agencies which compositely enhance the US positions. Over-reliance on arguments representing only a portion of the agency's contribution to US national interests obscures the value of the agency and blurs inter-agency distinctions. Moreover, it exacerbates existing tensions

²⁵ Amb. Johnstone, 8 January 1997.

in inter-agency relations as agencies suspiciously view their counterparts as “creatures of the Congress.”²⁶

The Public

Opinions on Foreign Affairs

One of the key threats to ensuring proper and adequate funding for the international affairs budget is the almost total absence of active public support for this area of US policy. As legislators struggle to minimize the impact of overall spending cuts on their constituents’ interests, the 150 Account--undefended by its own supporters--becomes an easy target for budget balancers. Over the last three years, several public opinion polls have revealed that the apparent public antipathy to international affairs spending can be largely explained by public misperceptions about the amount of money the US spends in this area and the nature and impact of the programs it funds. The polling data illustrates a profound failure by the international affairs community to involve the American public in the debates over the future of US foreign policy. This in turn undermines congressional support for international affairs programs. Further, one may infer from the data that an effort to educate the public about the current level of US spending on international affairs programs and their importance to advancing vital national interests could mobilize the existing, strong public support for an activist US role in international affairs.

²⁶ Ibid.

Recent measures of public opinion about US foreign affairs policy indicate a majority of Americans are highly supportive of US activism overseas. Most opposition to current levels of spending on international affairs is founded in misperceptions about the size and objectives of the programs in question. In a 1995 poll conducted by the Program on International Policy Attitudes at the University of Maryland, eighty percent of those polled agreed that 'the United States should be willing to share at least a small portion of its wealth with those in the world who are in great need'.²⁷ Nevertheless, a strong majority believe the US spends too much on its foreign assistance programs. The median level suggested for an 'appropriate' level of spending was between five and six percent of the total budget, or more than five times the amount currently spent. The median estimate of the current level of spending was 15 percent of the total budget, and the average estimate was 18 percent. A 1993 Harris poll found a majority of Americans believe the federal government spends as much on foreign aid as on Social Security and Medicaid/Medicare, estimating spending in each area to constitute 20 percent of the total budget.²⁸ When informed of the actual spending level, 33 percent of the respondents to the University of Maryland poll said the current level is 'too little' and 46 percent said it is about right.²⁹

²⁷ "Americans and Foreign Aid," poll conducted by the Program on International Policy Attitudes, University of Maryland, January 23, 1995.

²⁸ "The Harris Poll #55," conducted by Louis Harris and Associates, November 1, 1993.

²⁹ "Americans and Foreign Aid."

In fact, the American public sees a strong link between US leadership overseas and its domestic interests. Sixty-three percent of respondents to the University of Maryland study agreed that US investment in developing countries is in our economic interest. Fifty-four percent of respondents to a 1993 Gallup poll said the purpose of US foreign policy is to realize human values (as opposed to national security objectives).³⁰ The same poll also indicated that humanitarian, environmental and economic concerns have joined security issues as the public rationale for American foreign assistance.

These polls suggest, at the very least, there is no public consensus against adequate funding for US international affairs programs. Moreover, they suggest that, if properly educated about the current level of spending, the nature of the programs funded and the consequences of further spending cuts, public support for funding of our international affairs could prevent further budget cuts by Congress.

³⁰ "Purpose of Foreign Policy: National Interests or Human Values?" The Gallup Public Opinion Monitor, July 1993.

Recommendations

Shaping a Vision for the Future

Articulating a Comprehensive Paradigm

US foreign policy is currently in transition from a focus on the highly complex but clearly defined challenge of containment and bipolarity to an attempt to manage the much less predictable challenges of a dynamic international order with multiple weak loci of power and sources of instability. To enable US foreign policy makers to meet these new contingencies, the objectives and strategy driving US policy must be systematically reassessed and altered.

With no overarching vision of US interests and objectives, the allocation of our limited military and diplomatic resources to deal with these problems is unpredictable and potentially destabilizing. A clearer concept of where the US will and will not engage its resources abroad is important not only for the cohesion and effectiveness of our foreign policy, but as a reassuring signal to our allies and a deterrence to rogue actors.

The articulated mission must address the concerns that are salient in the political arena: economic growth, international trade, proliferation of weapons of mass destruction, terrorism, environmental protection, humanitarian assistance and democratic enlargement.

What remains to be articulated are the operational objectives that flow from these interests and a method for distinguishing between which developments in these areas require US engagement and which do not. In addition to these substantive definitions, US

planning must also develop functional paradigms that allow for both long-term international planning and short-run reassessments of the direction and effectiveness of current policy designs.

A comprehensive and coherent articulation of the paradigm governing this diverse spectrum of US foreign policy activities must be established and articulated publicly.

While such a vision will in all likelihood be less precise than the comparable macro-level vision of "two major regional conflicts simultaneously" articulated by the Department of Defense, it must dispel at a fundamental level any appearance of *ad hoc* foreign policy.

This new paradigm can be accomplished several ways.

Option One

Traditionally, realignments in US foreign and national security policies have been initiated through the combined effort of the White House and the Office of the Secretary of State. Because the current environment on Capitol Hill is dominated by budget balancing and partisan investigations, there is less room for congressional leadership on the conceptual reassessment of US foreign policy we believe is now needed. The foreign policy resources in the Executive Branch are best suited for such an undertaking. While Congress often has a great deal of input into the structure of a new strategy and the course of its implementation, Presidential leadership in foreign policy has generally been a necessary precondition to significant movement away from the *status quo*. (For an in-depth analysis of the relative advantages and disadvantages of each of these implementation options, see Appendix 6.)

Option Two

President Clinton has not demonstrated significant discomfort with the state of US international affairs to engage personally on the substance of the issues at hand. A second option for building a new vision of US foreign policy is for Congress to take the lead, convening an *ad hoc* commission of key stakeholders in the House and Senate, leadership from the White House and the State Department, well-positioned representatives from the Departments of Treasury and Commerce, and leading figures from politics, academics and non-government organizations. Much like the body convened by Father Theodore Hesburgh in the 1980s to establish guidelines for future US immigration policy, this commission would study the conceptual and practical requirements of US foreign policy in the foreseeable future.

Option Three

The final option for developing and advancing a new concept of US foreign policy interests is for the non-governmental agencies with interest and expertise in this field to lead the way. A significant example of the past success of this NGO "task force" model is the NGO study that led to the creation of the Goldwater-Nichols Act in 1986. While it is too soon to predict whether the CFR/Brookings Task Force report will result in changes in funding for international affairs, the report was endorsed by many of the most influential members of the foreign policy community and has received a wide hearing at the highest levels of both the Executive and Legislative branches.

Organizing to Meet New Challenges

Since 1993, Republican Senator Jesse Helms has called for the State Department and its satellite agencies to reorganize their policy-making structures to reflect new challenges and resource limitations. Steven Berry, a former senior staffer to Sen. Helms on the Senate Foreign Relations Committee, acknowledges that the demands for organizational reform stem, at least in part, from frustration over the current muddled concept of the US foreign policy mission.³¹ It is unlikely that adjusting the status of or funding for the analysts at ACDA, USAID and USIA will accomplish the hoped-for realignment of priorities and processes within the foreign policy community. Proper structure, focus and integration of activities will become possible and efficient only after the articulation of a basic operational mission.

Metrics as a Tool for Changing Culture

If the foreign affairs community is to effectively articulate its substantive value to Congress and to the public at large, it must do so in language which conveys clear operational concepts for which there are relevant, identifiable, and measurable intermediate criteria for success. Its organizational culture must begin to shift from that of analyst to that of operators and investors. Simply put, operational goals must be

³¹ Berry, 9 January 1997.

constructed in such a way as to make apparent to appropriators, the public, and officers within the community whether or not they are being met. Operational objectives must flow from a valid understanding of national interests which reflect the multifaceted structure of the international arena rather than the Cold War arena. There must be more systematic criteria for distinguishing between which developments require US engagement and which do not, disaggregated into long and short term considerations. The causal chain between national interest and current operations must be more clearly articulated. Such systematic measurement allows for the development of a process control system which, though still inherently reactive, is more forward leaning than is currently the case.

Increasing Coordination

The State Department suffers from a lack of coordination on two levels: within its agency borders and between its agencies and those of the US Trade Representative and the Departments of Commerce and Treasury. The former is responsible for its financial vulnerability because the growing perception of legislators is that State and its agencies are over staffed, inefficient and redundant; the latter is responsible for policies which are at times jumbled and at odds.

Just as the new paradigm must include a broad spectrum of security, economic and diplomatic interests, any reorganization of the foreign policy establishment must include a conceptual and tactical framework for developing a coherent, highly coordinated policy approach to these clearly linked issues. While multiple agencies administering the various

elements of the US diplomatic mission often operate overseas under the same roof, their missions are not sufficiently coordinated to advance a coherent US policy that maximizes the effective allocation of resources and avoids conflicting or redundant operations. A system of integrated decision-making which aligns objectives and missions without interfering with individual operationalization of tasks could work to rectify this situation.

Currently, no formal entity exists which is tasked to “weave into a coherent whole, the many threads of the US foreign policy.”³² A steering mechanism which could coordinate decision makers from Commerce, Treasury, USTR, and State towards forming an integrated policy stance along specific regional or functional lines could increase the effectiveness of policies within each agency by aligning them with relevant policies from other agencies directed at a similar end. Such a coordinating body would serve in a communicative, non-directive fashion whereby issues which cross agency borders and effect a number of different policy makers could be coherently addressed and a synergy of intentions achieved.

Creating extra-agency coordinating bodies has a long and varied history in US policy making. The National Security Council originally served this purpose, but it has gradually acquired the staff and programming authority of an independent actor. There are useful lessons to be learned from previous attempts to impose inter-agency cooperation on the policy-making process that can prevent this coordinating body from

³² Eagleburger and Barry, p. 8.

becoming yet another bureaucratic barriers to good public policy.³³ To ensure that it has sufficient authority among the participating agencies, the coordinating body should have a broad mandate from Congress. However, it should not acquire the authority or the staff to implement programs. This body should make decisions, acting as a referee between the conflicting agendas of the many stakeholders in foreign policy. It should not interfere in the mechanisms by which the various agencies implement the agreed upon policy, but only serve as a focusing point to ensure a coherent, unified effort.

Conceptual Rethinking

The current situation is comparable to that of the post-Cold War transformation in the Department of Defense, which replaced the single monolithic objective of containment with a pragmatic assessment of a dynamic international environment in which multiple contingencies must be dealt with simultaneously. The 1986 Goldwater-Nichols Act fundamentally altered the concept of planning for military action by emphasizing jointness to maximize capability and eliminate replication of effort.

While the structural implications of Goldwater-Nichols Act are fundamentally different from those of the foreign affairs community, the strategic paradigm of unifying diverse actors, policies and resources to leverage US foreign policy issues is applicable and should be explored. In fact, the Henry L. Stimson Center, a Washington think-tank that deals with international security issues, has recently convened a group of

³³ James Q. Wilson, *Bureaucracy* (New York: Basic Books, 1989) p. 270.

distinguished foreign policy leaders “to rethink the way the US Government is organized to conduct its foreign affairs into the Twenty-first Century.”³⁴ The Project on the Advocacy of US Interests Abroad is consciously assessing the conceptual applications of the principles underlying the Goldwater-Nichols reforms to the foreign policy making community. Studies such as this one should be given the full cooperation and attention of leadership in the Executive Branch and Congress.

Creating Public Engagement

Private Sector Involvement

Relevant non-governmental organizations such as the Council for Foreign Relations, the Brookings Institution, and the Stimson Center reflect the analytical focus of the foreign policy community at large. While analytical expertise is high, lack of public and congressional engagement has allowed the policy expertise of these bodies to remain largely untapped. With the diverse geographical base and expertise of their members, foreign policy NGO’s could play a significant role in focusing public and congressional attention to international affairs. Yet they are currently poised organizationally and culturally to continue the path of “foreign policy elites” whose relevance will continue to lessen if appropriations for foreign policy continue to stagnate. The organizations must do more than maintain a closed loop of communication and circulation of ideas among

³⁴ The Henry L. Stimson Center, “Distinguished Foreign Policy Leaders Launch ‘Project on the Advocacy of US interests Abroad.’” Press Release, Washington, DC: 25 March 1997.

their membership. NGO's have significant roles to play in creating a better informed Congress, establishing greater public engagement, and helping to develop a consistent exchange of information between the policy makers and the public.

Creating Congressional Investment

If the foreign policy community's interaction with Congress is to be improved and congressional investment in foreign affairs increased, Congress must receive better and more frequent, information about international affairs programs. Relying on travel based programs as the primary mechanism for educating members is impractical and insufficient to create the necessary level of congressional engagement in US foreign policy. NGO's such as the Heritage Foundation and the American Enterprise Institute have established successful informational mechanisms: maintaining a steady stream of weekly congressional bulletins, one-page briefing memos and educational meetings with interested members on relevant committees. The Brookings Institution and CFR could augment their analytical activities and narrow circulation of information with similar outreach efforts on Capitol Hill. Additionally, these organizations could follow the example set by the Kennedy School's and the Heritage Foundation's educational seminars for new members of Congress and hold similar forums on relevant foreign affairs issues throughout the congressional session. These activities could be constructed in such a fashion as to maintain the objective, non-partisan reputations of the relevant organizations.

Correcting Public Misinformation

The State Department should formally dedicate resources within its existing Office of Public Affairs to create a comprehensive, well-supported outreach program. The University of Maryland poll illustrates the broad gap between public perceptions of US international affairs programming and reality, and highlights the need for a concerted effort to increase public awareness of and support for international affairs. The average response to the University of Maryland poll question regarding the current amount of funding for international affairs to account for 15 percent of the entire federal budget. The State Department information campaign should set as its goal an average response much closer to the actual number of roughly 1.2 percent (setting the goal at 5 percent, for instance). The success or failure of this outreach program can be measured periodically against the baseline of the poll's initial results and the program adjusted accordingly.

This campaign should focus not only on education, but on communication of the ways in which international affairs programs protect and advance specific public interests.

The goal is for the foreign policy community to build a lasting base of public support based on the importance of these programs to the American people. The State Department could be joined in this effort by the other agencies in the Executive Branch, including the White House, with a stake in public appreciation of the importance of their work in international affairs. Creative use of resources will minimize the cost of this effort. For instance, retired Foreign Service Officers could be mobilized within their communities, participating in town meetings and seeking out opportunities to address

established civic organizations such as the League of Women Voters, American Legion, veterans groups, fraternal organizations, Chambers of Commerce, local labor organizations, high schools and community colleges.

Identifying and Mobilizing Latent Constituencies

A number of latent constituencies exist within the public sector which have clear interest in international affairs programs, but which have been conspicuously absent when it comes to public support. Business communities such as transportation, commodities, infrastructure providers, energy providers, textiles, and other large scale manufacturers have vested interests in the overseas relationships which the network of international affairs establish. They reap benefits in terms of increased contracts, solidified intellectual or formal property rights, and expanded markets. These diverse communities are linked by existing umbrella organizations and networks such as the National Association of Manufacturer, Chambers of Commerce, business administrations and others, which can provide platforms for outreach and informational exchange. The State Department and other agencies can clearly articulate to such organizations the impact foreign affairs has on their community. Herein is also a significant role for NGO's to play, for while agencies are prohibited by law from influencing such groups to lobby on their behalf, NGO's can act as mobilizing agents to inform respective groups of pertinent appropriations issues to which their attention could be addressed.

Creating Non-crisis Communication

Currently, communication between the foreign policy community and the general public occurs primarily around galvanizing issues--usually of a negative focus. The lack of sustained, non-crisis communication further isolates the public from the policy making process and insulates the community from public oversight and accountability. The lack of widely circulated foreign policy publications further compounds this situation. Quarterly publications targeted to the general public and latent constituencies such as the business community which outline areas of specific or general interest, in addition to the current internally focused publications, would serve to bridge this communications chasm.

Perspectives for Action

Of these recommendations, those that attempt to establish clearer, more open lines of communication between the international affairs community and the public and Congress require the least intrusive changes to the current system. Opportunities exist to implement them regardless of whether a new governing paradigm is articulated or a reorganization undertaken. Their implementation will build constituent support for funding of international affairs and assist this community in its current efforts to prevent its budget from sustaining further cuts. A chart summarizing recommended actions and describing the contingencies and sequences for implementation may be referenced at Appendix 7.

Even with a better public understanding of international affairs programs, long-term support will be difficult to sustain absent a unifying and coherent paradigm that accounts for recent, fundamental changes in the international arena. Moreover, effective organizational structuring to maximize existing resources can only occur after such a paradigm has been formulated. The international affairs structures that emerge from this process of vision formulation and community alignment will be better equipped to meet the challenges of 21st century international affairs with the support of Congress and the American people.

Acknowledgments

For a portion of the information underlying their analysis, the authors relied on the work of the Council on Foreign Relations / Brookings Institution Task Force on Resources for International Affairs, in which they participated. The transcripts of task force meetings and the deliberations that formed the basis for many drafts of the Task Force's final report, while not public documents, were extremely useful in providing background information during the early stages of this policy analysis.

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Appendix 1.

Breakdown of the 150 Account

Function 151:

International Development and Humanitarian Aid

Multinational Development Banks; International

Organizations and Programs

Agency for International Development

Debt restructuring

Refugee Assistance

P.L. 480 Food Aid

Other

Receipts

Function 152:

International Security Assistance

Economic Support Fund

Foreign Military Financing (FMF)

FMF liquidating account

Other

Receipts

Function 153:

Conduct of Foreign Affairs

Department of State Operating Budget

Peacekeeping Contributions

Contributions to International Organizations

US Information Agency

Function 154:

Foreign Information and Exchange Activities

Function 155:

International Financial Programs

Export-Import Bank

Overseas Private Investment Corporation

Trade and Development Agency

Appendix 2

Talking Paper on International Affairs Programs and the National Interest

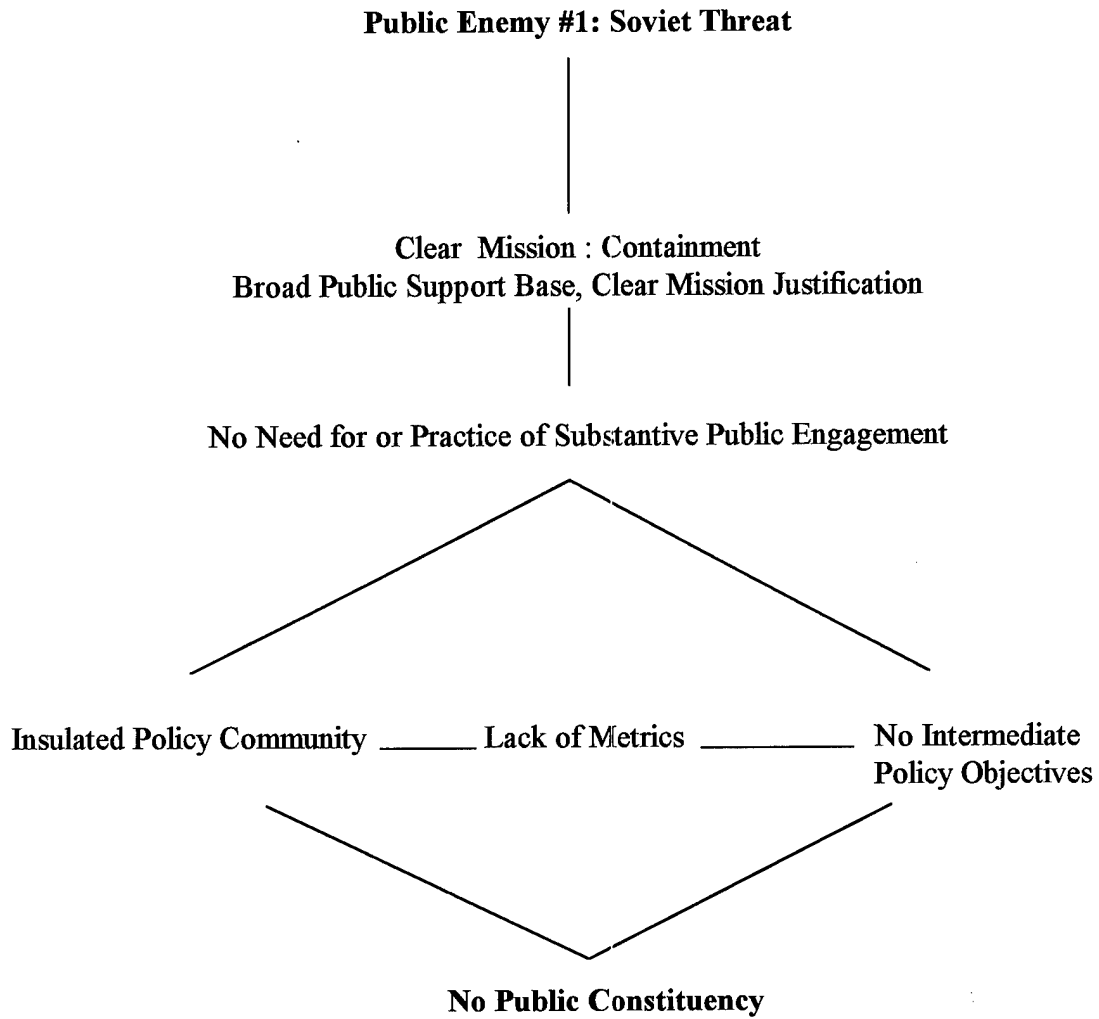
The FY 1997 budget for international affairs is \$18.1 billion, approximately 1.2% of the total federal budget. Under the current plan for a balanced budget, spending on international affairs will be cut to \$13 billion by 2002. If the international affairs budget continues to sustain severe cuts, important economic and non-military security options for maintaining US global leadership will be foregone, and US influence in world affairs will be further eroded.

- Through the US Agency for International Development (USAID), the US government every year provides food, shelter and other relief to millions of victims of natural and man-made disasters around the world. **These programs reflect the American ethic of assisting those in need and help to preserve stability in some of the world's most volatile regions.**
- USAID administers public health programs that save millions of lives every year. Using American technologies to improve international public health raises US standing among foreign populations, helps prevent more costly responses to full-scale humanitarian disasters and decreases the threat posed to US citizens by the spread of deadly diseases.
- US foreign assistance programs are NOT "international welfare" that drain resources for domestic programs and create little benefit in return. **Foreign assistance contributes substantially to US economic prosperity, creating a positive environment for US trade and investment overseas.**
- US investment in development assistance encourages contributions by other nations that increase the lending capacity of development banks to roughly twenty dollars for every one dollar we contribute. Further cuts in US contributions will make it harder to leverage the resources of these institutions in support of policies and programs important to US interests.
- USAID contracts with more than 3,500 US firms and more than 300 US-based private voluntary organizations to build and implement its development programs. **Close to 80% of USAID grants and contracts go to American firms and NGOs, directly accounting for more than \$10 billion in purchased goods and services in 1993 alone.**

- **USAID assistance programs help developing countries build and expand their economies and create significant, long-term demand for US goods and services. The US now exports more to South Korea in one year than we gave that country in development assistance in the 1960s and 1970s.**
- **US spending on security assistance programs allows us to minimize instability in strategically sensitive regions and prevent the much costlier and potentially devastating need for direct US involvement in a developing crisis.**
- **Current US government and democracy assistance programs in 36 of the 57 newly emergent democracies will allow us to consolidate our Cold War gains and truly reap a long-term "peace dividend."**
- **The overseas activities of the State Department and other international affairs agencies build investment opportunities for American businesses, form the daily foundation for the US relationship with our allies and adversaries, provide policy makers in Washington with crucial first-hand intelligence and establish a network for engaging foreign governments and individuals on a host of issues important to US national interests.**

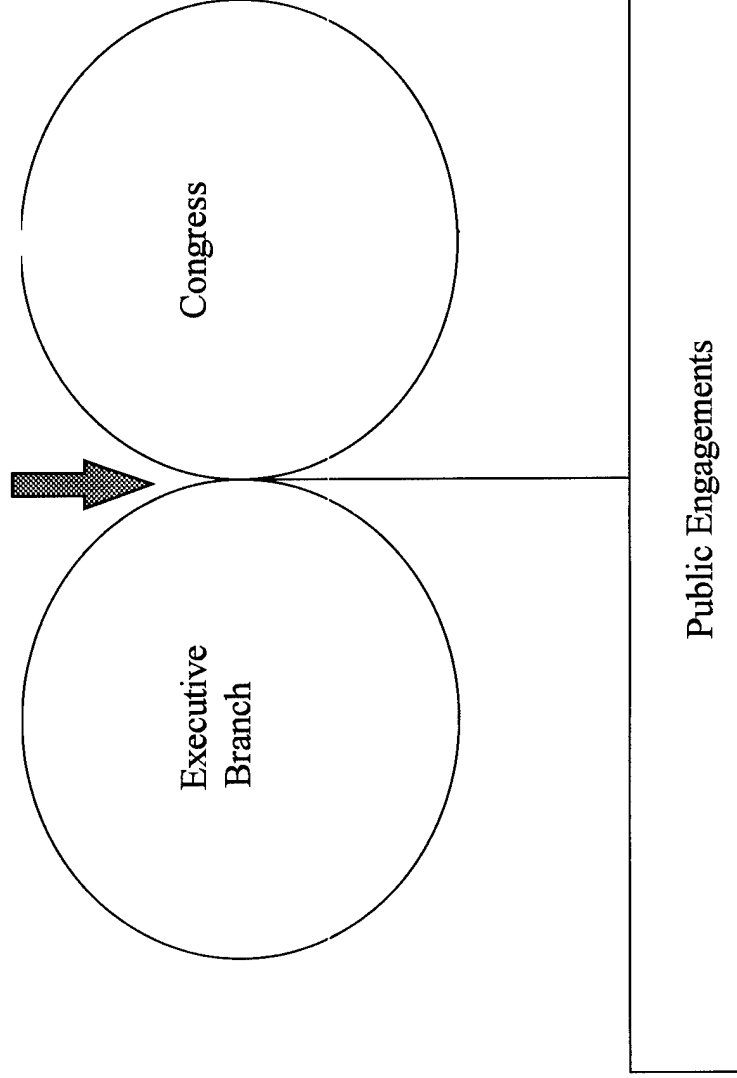
Appendix 3

Cold War Organizational Alignment Cycle

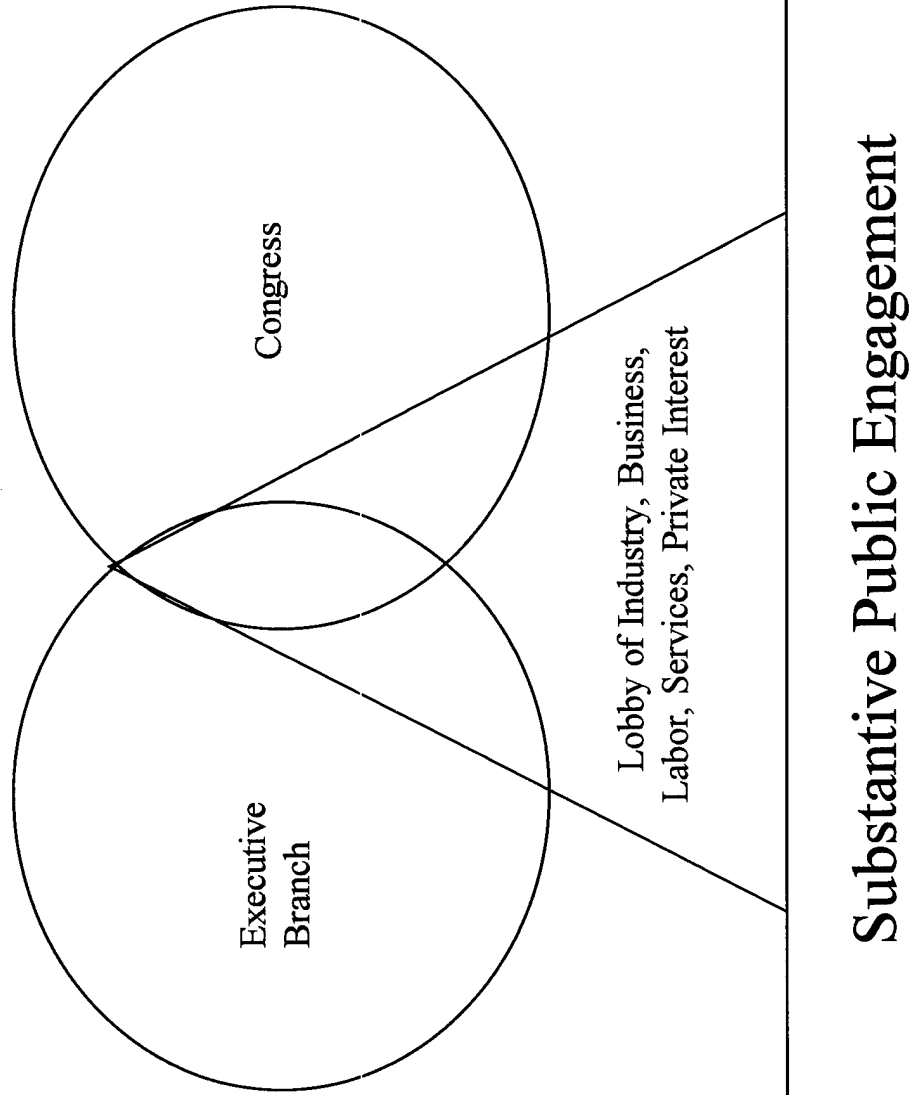


Community Interaction with the Authorizing Environment

Appropriations Committee, Subcommittees



Comparative Inter Actor Models: DoD



Appendix 6

Relative Merits of Three Options for Policy Implementation

In any major reassessment regarding the conduct of US foreign policy--either the development and articulation of a new governing paradigm or the subsequent restructuring for more effective implementation--policy makers face the choice of which element of the foreign policy community is best-suited to take the lead. It is important to consider not only the relative strengths and weaknesses of the institutions themselves, but also the current political context in which those strengths and weaknesses are characterized. The following analysis considers the relative strengths and weaknesses of the options introduced in Chapter 3.

Option One, Presidential Leadership

Advantages

While the Clinton Administration has been driven by its domestic agenda, the President has become more active in foreign policy, particularly as he has realized international affairs are an area where he can lead US policy without undue interference from the Republican Congress. The selection and easy approval of Madeleine Albright to succeed Warren Christopher as Secretary of State offers an opportunity to reinvigorate the administration's approach to foreign policy. Moreover, the need for a review of these issues has recently been brought into focus for both the President and Secretary Albright

by the Final Report of the Council on Foreign Relations/Brookings Institution Task Force on Resources for International Affairs, which calls for preventing further degradation of US diplomatic programs.

During her tenure as US Ambassador to the United Nations, Secretary Albright demonstrated her inclination to be a foreign policy activist, frequently calling for the mobilization of US resources against challenges from which others in the administration shied away. A long-time friend of Hilary Rodham Clinton and well-known for her ability to command Bill Clinton's attention to foreign policy matters, Secretary Albright is in a position to foster presidential leadership in articulating a comprehensive strategy for US international relations into the next millennium. As have many presidents before him, President Clinton may find the realm of foreign policy a particularly attractive venue for shaping the lasting legacy of his presidency.

Disadvantages

The key to successful presidential leadership of this strategic review is the President's ability to impose discipline upon the many actors in the White House and various departments whose structure and mission must necessarily come under scrutiny in this process. A president distracted by law suits, special prosecutor investigations and campaign finance reform may be unable to devote the leadership capital necessary to build a comprehensive vision capable of uniting, rather than pandering to, diverse agencies and their supporters.

Second, while presidential leadership is a necessary precondition to this process, it will not be sufficient to ensure its success. While critics of the current disorganization will welcome a presidential attempt to impose clarity of purpose on US foreign policy, any attempt to articulate such a vision that does not address the concerns of Congress will be doomed to rejection. To secure congressional buy-in without sacrificing the president's leadership on this issue, members must be consulted--and their concerns given a full hearing--before a final plan is offered. Secretary Albright enjoys an excellent relationship with many in the congressional foreign policy leadership; her role as an intermediary between the White House and Congress and her effectiveness as an advocate for the President's policy will be invaluable.

Option Two, Congressional Commission

Advantages

Congressional leadership on this issue ensures the support necessary to follow-up on the new paradigm for US foreign policy with the requisite adjustment of the organizational structures and resources necessary for implementation. As with any such strategic review, the agencies with influence at stake will work hard to dominate the process and create an outcome favorable to their comparative strengths. This affect may be dampened somewhat by congressional leadership of the process and by the desire of agency heads to remain in good standing with the appropriators who must determine their budget allocations.

Disadvantages

The disadvantage to congressional leadership of a commission on international affairs is that the work of such a body will take much longer to produce and synthesize than if such a project were undertaken by the White House. A congressional commission will involve in this process a constituency much broader than that represented by presidential advisors. It will therefore have more public support, because it will allow more public input--a valuable but significantly complicating factor. While public involvement complicates this process, it addresses the fundamental problem of an insulated policy community and should not be limited in a way that creates a final product unacceptable to the public constituencies whose support will be necessary for implementation.

Option Three, NGO

Advantages

The obvious advantage of NGO leadership is that this community has already recognized and mobilized to address the weaknesses of current thinking about US foreign affairs. Furthermore, NGO attention to this issue will be insulated from the domestic responsibilities and daily crises with which the Executive and Legislative Branches must contend. As in the case of a congressional commission to study this issue, an NGO-led study will be more time-consuming than a White House-led effort, but it is also likely to be more thorough and objective.

Disadvantages

The greatest disadvantage of this option is that it will have to overcome the barriers inherent in any such “outsider” strategy. Congressional buy-in will have to be developed, but will be made easier if the study participants include former officials with clout and connections to policy makers. Input from Congress and members of the Executive Branch into the study’s analysis will further ensure their support for its findings. Where NGO’s are at the greatest disadvantage is in turning this support into changed policies or new legislation. To be successful, the NGO at the head of such a project must be well-acquainted with and have strong connections to the policy makers ultimately responsible for implementing their recommendations.

Appendix 7

The following table disaggregates recommended courses of action by actor, contingencies for action, and the sequence in which various actions may be undertaken.

Action sequencing is divided into three categories:

- Initial actions are those which can be undertaken by the relevant agency without specific prior actions by other agencies and should be performed regardless of actions taken on other recommendations.
- Primary actions are those which require interagency or inter-actor coordination and which can be undertaken regardless of outcomes of other recommendations.
- Secondary actions are those requiring coordination and contingent upon implementation of previous recommendations.

Actor	Recommended Action	Contingent Upon	Sequence of Action
President or designates	Convene mechanisms for developing vision	Political will	Initial
	Creating non-crisis communication	Political will	Initial
State , USIA, ACDA, USAID	Create public engagement and correcting public misinformation	Concentrated public affairs effort to identify and outreach to the public and to latent constituencies	Initial
	Change culture of community from analysts to operators	Developing control system based on metrics and operational objectives	Initial
	Develop steering mechanism to coordinate multiple interests	Effective interagency coordination	Primary
	Restructure to meet new environment	Articulation of guiding paradigm	Secondary

Actor	Recommended Action	Contingent Upon	Sequence of Action
Congress	Considering implications of Goldwater Nichols for foreign affairs	Identifying relevant conceptual frameworks and coordination with existing efforts	Primary
	Building stronger understanding of foreign affairs community	Cooperation from community and NGO's	Primary
NGO Community	Expand public information network to include more than "policy elites"	Understanding current culture as unsustainable in light of funding decreases and public opinion	Initial
	Creating Congressional education programs and information sharing	Establishing formal relationships with members	Initial
	mobilize latent constituencies	Can be coordinated with efforts from community or enacted independently	Initial / Primary