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Rebuilding Diplomacy *A Survey of Past Calls for State Department Transformation*

POLICY BRIEF



By Eugene Chow and Richard Weitz

In July 2009, Secretary of State Hilary Clinton launched the first Quadrennial Diplomacy and Development Review (QDDR) to guide the U.S. Department of State and the Agency for International Development (USAID) in developing more “agile, responsive and effective institutions of diplomacy and development” and to offer a blueprint for “how to transition from approaches no longer commensurate with current challenges.”¹ Strengthening these institutions is a priority for the Obama administration as it attempts to enhance the role of diplomacy and development in achieving U.S. foreign policy and national security objectives. Yet, as the State Department prepares to unveil the QDDR this fall, it is important to recognize that this most recent effort is not the first call to reform the U.S. State Department, the institution charged with leading American diplomacy. Over the past decade alone, numerous reports have identified underlying challenges faced by the

Department and recommended steps to address them. Based on a review of these reports, several themes emerge:

- The inadequacy of resources to fulfill core missions.
- The challenge of aligning resources to support strategic objectives.
- The importance of training staff for 21st century challenges and addressing staffing shortfalls.
- The requirement to engage diverse actors outside of traditional diplomatic channels.
- The need to use technology more effectively.

This policy brief summarizes key observations and recommendations in each of these areas, in an effort to inform both the QDDR and its execution. Though the QDDR takes a concerted look at both the State Department and USAID, this brief focuses on State Department reform, which has received less attention of late.

Increase Resources

If the QDDR is going to launch a process that truly makes diplomacy more agile and responsive, diplomacy must be adequately resourced.² Following the Cold War, America's foreign affairs budget fell from a high of nearly 50 billion dollars in inflation-adjusted dollars in the early 1980s, to approximately 15 billion dollars in 1998.³ These budget cuts weakened the State Department by compelling significant personnel cuts during the 1990s. Although Secretary of State Colin Powell requested and filled about 1,000 Department positions during his Diplomatic Readiness Initiative from 2002 to 2004, an employee shortage of another 1,000 positions remained.⁴ Restricted budgets also delayed critical technology upgrades, resulting in the use of obsolete equipment and depriving the Department of the ability to exploit the dramatic advances in Internet technologies and personal computing.⁵ To reverse this trend, Congress has approved budget increases for the State Department in recent years. In 2009, the Department was able to hire almost 1,400 Foreign Service employees — triple the number from that of previous years — and hire 20 percent more civil servants.⁶ Further reforms will require more resources. Even Secretary of Defense Robert Gates has highlighted this glaring need, pointedly stating that, "America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long."⁷

According to a comprehensive analysis of the State Department's budget by the American Academy of Diplomacy and the Henry L. Stimson Center, the Department needs to hire 1,099 additional staff members by FY 2014 simply to accomplish core diplomatic missions. Another 1,287 staff positions are needed to allow for adequate workforce retraining and professional development. Enhancing U.S. public diplomacy programs — a particular need identified by the report — requires an additional 487 U.S. direct-hire staff and 369 more locally employed personnel.⁸

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President Barack Obama's proposed FY 2011 budget seeks to increase funding for the State Department and related international programs by 2.8 percent, to 58 billion dollars. Although much of this proposed rise would support the expansion of U.S. programs in Afghanistan, Iraq and Pakistan as well as global health programs and other foreign assistance over six years, the new resources would also allow the State Department to hire 410 more Foreign Service personnel (and USAID to hire 200 more Foreign Service officers). In total, the administration urges an increase of 4,735 direct-hire staff members during the period from 2010 to 2014, as well as increased training opportunities and more locally employed staff in foreign countries, for a total cost of some 3.3 billion dollars annually by FY 2014.⁹ While more resources do not guarantee a more effective State Department, they are a necessary precondition.

Align Policy, Strategy and Resources

Numerous studies emphasize the need for resource allocation to align more closely with the Department's strategic goals and priorities.¹⁰ At present, the weakness of this connection renders the Department's budgetary and management policies insufficiently responsive to the rapidly changing priorities and needs of U.S. foreign policy.¹¹ The Department still lacks an effective planning process that combines policy, strategy, and budget planning throughout all levels of the organization. While the Mission and Bureau Program Planning process introduced in 2004 represented a significant advancement, it is cumbersome, with some plans running several hundred pages in length, and with a remaining disconnect between plans and resource allocation.¹² While

the process facilitated a dialogue on policies and resources between Washington and the field, challenges remain in reallocating resources to ensure that budgets shift to reflect changing policy goals and strategies.¹³ The difficulty of aligning resources and priorities, and reporting progress on this front to Congress, also weakens the Department's ability to defend its budgets to the White House and Congress and attract new resources – a serious blow in times of fiscal scarcity.

To help ensure that policy and resource goals are aligned across the Department, many of the studies we surveyed recommend some adjustment or merging of the roles of the Department's offices involved in strategic planning. For example, the Advisory Committee on Transformational Diplomacy recommends a new senior-level planning office directly under the secretary of state that would unite policy planning staff and the Office of Strategic and Performance Planning in one group.¹⁴ This new planning cell would work alongside the secretary to define the Department's overall foreign policy goals, coordinate the budget planning process and adjudicate any budget disputes.¹⁵ It would also be responsible for holding bureaus and missions accountable by ensuring that they develop comprehensive plans to meet strategy objectives and subsequently monitor their progress.¹⁶ Directly linking policy and resource planning could help make the Department more responsive to the top priorities enunciated by political leadership and also better enable the Department to articulate its strategic and budgetary goals to Congress, as well as present more robust data regarding progress made.

Address Staffing Shortfalls and Improve Training and Hiring

Nearly every assessment of the State Department identifies a chronic problem with understaffing. In 2009, for instance, the Government Accountability Office found that critical shortfalls in staff, compounded

by excessive administrative burdens and other time constraints, hinder core diplomatic operations.¹⁷ Insufficient numbers of staff also complicate the Department's ability to prepare diplomats for rapidly evolving challenges. Chronic staffing shortfalls driven by budget cuts and increased responsibilities severely constrain the Department's ability to release employees from daily duties so that they can undertake needed education and training. Under current staffing constraints, managers are reluctant to release Foreign Service officers for a training assignment when that would result in leaving a critical post unfilled.¹⁸ As a result, too many Foreign Service officers lack the ability to improve their skills and perform their duties more effectively.¹⁹

Beyond hiring more staff, the State Department should make an institutional commitment to training its diplomats to excel at conducting 21st century diplomacy. To fill critical skill gaps and increase mission effectiveness, several reports recommend that the State Department expand targeted hiring and training programs and enable essential training and professional development opportunities.²⁰ The Advisory Committee on Transformational Diplomacy specifically calls for greater expertise in strategic planning, critical languages, project and program management, performance measurement, and science, engineering, and technology literacy.²¹ Additionally, the Department should ensure that employees receive the training needed to meet critical emerging foreign policy imperatives such as directing pre-crisis conflict mediation and resolution, engaging non-state actors, conducting public diplomacy, and undertaking reconstruction and stabilization efforts.²²

Since the Department's employees are its greatest asset, promoting and retaining highly skilled personnel is essential for its long-term success. The Department should re-evaluate its human resource practices to better reward talented individuals, cultivate new leaders and improve employees'

lifestyles. Several studies suggest retooling the evaluation and promotion system to focus on encouraging the development of high-priority skills, ensuring that performance goals are clearly outlined and making certain that managers frequently evaluate employees' progress.²³ In addition, the State Department needs to address issues critical to retention. For instance, in a 2009 survey the State Department ranked 26 out of 28 government agencies in having a family-friendly culture.²⁴

Engage Actors Outside of Traditional Diplomatic Channels

Today's foreign policy challenges require that the U.S. diplomatic presence abroad reach out not only to foreign governments, but also to their publics, non-governmental organizations, businesses and other influential groups, as these non-state actors play a critical role in shaping their nations' policies.²⁵ For instance, tackling complex issues like promoting democracy and human rights, combating extremism and human trafficking requires the full support of foreign publics, business and academic leaders, and religious institutions.

Unfortunately, State Department personnel often lack the resources, incentives or experience to operate effectively outside embassy walls and engage these non-state actors. Current procedures too often keep diplomats inside embassy buildings, observing and reporting information, rather than conducting the personal, active and direct engagement required to win popular support. In many missions and posts, diplomats feel beholden to serving internal and Washington-based requests that require them to remain at their desks clearing cables, drafting reports or attending internal embassy meetings. When they do venture out, it is often limited to a chancery building in a capital city. Officials are further constrained by limited travel and outreach funds, which restrict their means to engage diverse actors in non-traditional areas.²⁶ Creating a more

agile State Department requires building a culture that promotes and enables deep engagement. The CSIS report "Embassy of the Future" suggests that the Department should adjust reporting requirements both within the Department and at posts to encourage and support work outside the embassy.²⁷

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The State Department should also think creatively about its foreign presence. Ensuring the safety of American personnel should always be a high priority, but effective 21st century diplomacy requires new thinking regarding the design and use of overseas facilities to maximize engagement with foreign publics. Increased security measures have led to buildings that resemble heavily fortified fortresses that isolate American diplomats from people. A better balance among security, image and location is often needed. Innovative "presence options" would greatly enhance the ability of Foreign Service officers to conduct diplomacy beyond embassy walls in ways tailored to the specific mission and country. These new approaches include single-officer posts, traveling teams and virtual platforms that maximize flexibility, engagement and safety, allowing diplomats to reach more people across a broader geographic area. Finally, establishing a travel and outreach fund would provide diplomats with the resources they need to engage various leaders, groups and individuals in diverse locations.²⁸

Upgrade and Integrate Technology to Bolster Capabilities

The State Department struggles to keep pace with technological developments and effectively employ technology to bolster its capabilities. In the past, obsolete equipment hindered the Department's ability to accomplish its mission and resulted in slow information sharing, inaccurate assessments and bad policy formation.²⁹ Surprisingly, many employees did not have desktop Internet access until 2001, when Secretary Powell launched a major initiative to upgrade technological infrastructure to reap the benefits of technological advances in communications and information sharing.³⁰ While the Department has made great strides since 2001, keeping up with technological advancements remains a challenge given budgetary strictures. However, more effectively integrating technology into its processes will help the Department to become more agile and efficient, and eventually achieve more with fewer resources.

The State Department is not well organized to adapt to technological advances.³¹ Its decentralized system has led to inconsistent upgrades across the organization and higher costs, as each bureau handles its own procurement, maintenance and support. As recently as three years ago, over 200 disparate information technology systems were scattered across the Department's different bureaus.³² The Department has also struggled to efficiently identify, capture and securely distribute information in real time.³³

To help ensure more consistent funding, timely technological upgrades and cost reductions, one report recommends centralizing the acquisition of technology under the Chief Information Officer.³⁴ Given resource constraints and constantly evolving technology, another study urges the Department to target its investments in technology to meet specific needs and bolster long-term capabilities. To do this, the Department should create a small

group, which would work closely with the policy planning and resource management staffs, to assess and prioritize technology needs in light of the Department's strategic objectives.³⁵

Other reports suggest exploring options to improve knowledge sharing across the Department using technology.³⁶ Wikis or central databases aggregate critical information such as best practices, lessons learned and points of contact in an easily searchable format.³⁷ Since many past innovations have quickly fallen into disuse, some reports advocate the establishment of a Chief Knowledge Officer to assess effective solutions tailored to the Department's specific needs and culture to ensure usage. Finally, to help instill a culture that is more technologically savvy and innovation-oriented, the Department should create a technology center at the National Foreign Affairs Training Center to instruct Foreign Service officers in new technologies and to act as a laboratory for new approaches.³⁸

Conclusion

The QDDR is a unique opportunity to transform the State Department into a more dynamic organization that is equipped to address the complex range of foreign policy and national security challenges facing the United States. Past reports identify systemic problems that have impeded the work of the State Department. To a large extent, these challenges remain and must be addressed. Failure to do so will weaken the State Department's ability to lead American diplomacy in the 21st century.

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U.S. Secretary of State Hillary Rodham Clinton addresses the media in Seoul, July 21, 2010.

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