Order Code RL34141

CRS Report for Congress

Diplomacy for the 21st Century: Transformational Diplomacy

August 23, 2007

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Prepared for Members and Committees of Congress

Congressional Research Service

Diplomacy for the 21st Century: Transformational Diplomacy

Summary

Many foreign affairs experts believe that the international system is undergoing a momentous transition affecting its very nature. Some, such as former Secretary of State Henry Kissinger, compare the changes in the international system to those of a century ago. Secretary of State Rice relates the changes to the period following the Second World War and the start of the Cold War. At the same time, concerns are being raised about the need for major reform of the institutions and tools of American diplomacy to meet the coming challenges. At issue is how the United States adjusts its diplomacy to address foreign policy demands in the 21st Century.

On January 18, 2006, in a speech at Georgetown University in Washington, D.C., Secretary Rice outlined her vision for diplomacy changes that she referred to as "transformational diplomacy" to meet this 21st Century world. The new diplomacy elevates democracy-promotion activities inside countries. According to Secretary Rice in her February 14, 2006 testimony before Senate Foreign Relations Committee, the objective of transformational diplomacy is: "to work with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system." Secretary Rice's announcement included moving people and positions from Washington, D.C., and Europe to "strategic" countries; it also created a new position of Director of Foreign Assistance, modified the tools of diplomacy, and changed U.S. foreign policy emphasis away from relations among governments to one of supporting changes within countries.

Except for needed appropriations, Congressional involvement in the implementation of the transformational diplomacy proposal appears to some observers to have been minimal. Changes were made under existing authorities, and no legislation or new authority was requested from Congress. This year, however, the State Department is seeking legislative authority (S. 613/H.R. 1084) to authorize funding and personnel issues for some aspects of the plan.

As the transformational diplomacy proposal continues to be implemented, increased transformational diplomacy-related appropriations may be requested. Congress may also exercise its oversight responsibilities to monitor the effect that transformational diplomacy has on achieving foreign policy goals, maintaining a top quality Foreign Service, and providing the best possible representation around the world.

This report provides an overview of Secretary of State Rice's transformational diplomacy plan. It examines the calls for reform of America's current diplomatic institutions, and the Administration's response — transformational diplomacy. The report also presents the concerns many experts have expressed regarding specific elements of this proposal, and a sample of reactions in other countries. Finally, the report discusses various issues that may be considered by Congress. This report will be updated as warranted.

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Diplomacy for the 21st Century: Transformational Diplomacy

Introduction

Diplomacy is the art and practice of conducting negotiations between representatives of groups or states. It usually refers to international diplomacy, the conduct of international relations through professional diplomats with regard to issues of treaties, trade, war and peace, economics and culture. According to Senator Hagel, "Diplomacy is not a weakness ... but rather an essential tool in world affairs using it where possible to ratchet down the pressure of conflict and increase the leverage of strength."[1]

Going back to Benjamin Franklin, America's first diplomat, and Thomas Jefferson, America's first Secretary of State, the United States has engaged in diplomacy to represent America and further its interests around the world. According to the Henry L. Stimson Center, "Since 1945, the United States has conducted its foreign relations in the context of a world that practiced what can be called Classic Diplomacy. It was a world in which government-to-government relations were the principal activity. A world in which ambassadors and embassies were often a nation's only venue for expressing its national interests. A world in which heads of state met to discuss the great questions of the day. It was a world, in short, in which nations were more sovereign and independent actors than today's environment allows them to be on the cusp of the 21st century."[2]

Many viewed the first term of the George W. Bush Administration as not engaging in diplomacy often enough or as a first line of action in implementing its foreign policy. The Administration gained the reputation in some quarters as conducting "cowboy diplomacy" or having a "go-it-alone" approach to international relations. The Bush Administration has responded to its critics by saying that the world is a different place since September 11th, and traditional diplomacy may not always be the right strategy.[3]

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[1] Senator Hagel, Speech on Iraq/Middle East at Johns Hopkins School for Advanced International Studies (SAIS), December 7, 2006.

[2] *Equipped for the Future, Managing U.S. Foreign Affairs in the 21st Century*, The Henry L. Stimson Center, Washington, D.C., October 1998, p. 3.

[3] See Secretary Rice's interview with the Financial Times, April 20, 2007, as she discusses that after September 11th, the inadequacies of U.S. doctrines and policies with the new threats became very clear [http://www.state.gov/secretary/rm/2007/apr/83369.htm].

Diplomacy became a more visible option in December 2006 when the Iraq Study Group highlighted diplomacy in its recommendations and urged the Administration to launch a comprehensive "new diplomatic offensive" to deal with the problems of Iraq and the region.[4] In early 2007, Secretary Rice seemed to shift the Administration's Iraq policy when she stated in testimony that the Administration would engage in talks with Syria and Iran.[5]

As transformational diplomacy continues to be implemented, Congress may opt to consider the implications it has for future funding requests, changes to the Foreign Service system and its representation of U.S. interests around the world, the nature of the U.S. foreign assistance program, the reconstruction and stabilization initiative, and ultimately how the proposal in its totality addresses U.S. interests. At issue is how the United States adjusts its diplomacy to address foreign policy demands for the 21st Century.

U.S. Diplomacy — Need for Change

Many foreign affairs experts believe that the international system is undergoing a momentous transition affecting its very nature. For indicators of this change, they point to the end of the bipolar world of the Cold War, the changing nature of the nation state on which the existing international system is based, the rise of new national power relationships, as well as the growth in the number and the role of non-state participants in the international arena. These experts also note the impact that the changes in worldwide communications, due to advances in technology, have had on international relations. For the United States to continue to lead in this world, they argue, it will have to make adjustments to how it operates and relates within the changing system and the new, intense political aspirations causing these changes.[6]

Even before the United States entered the 21st Century, however, foreign affairs officials and experts were calling for reforms of the foreign affairs infrastructure, foreign assistance and public diplomacy programs, as well as the need to address the changing roles between the Department of State (State) and the Department of Defense (DOD) in foreign affairs. According to then Secretary of State, Madeleine Albright in 1999,

> The past decade has witnessed a transformation of the world political situation.... Challenges such as transnational law enforcement, global terrorism, democracy

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[4] *The Iraq Study Group Report, 2006*, p. 45.

[5] Secretary of State Rice testimony before Senate Appropriations Committee Hearing on Supplemental War Funding, February 27, 2007.

[6] See comments by former Secretary of State Henry Kissinger, and former National Security Advisors Zbigniew Brzezinski and Brent Scowcroft, at the Center for Strategic and International Studies "New York Leadership Dinner and Dialogue," New York, June 14, 2007. See also Daniel W. Drezner, "The New New World Order," *Foreign Affairs*, New York, March/April 2007, pp. 34-46, which discusses changes in the international arena based upon the changing economic strengths of countries such as China and India and the impact they could have unless their concerns and new status are addressed.

> building, protection of the environment, refugee issues, and access to global markets and energy sources now compete with traditional security and political issues for policymakers' attention. These changes demand that we reexamine the nature and basic structure of our overseas presence.[7]

The Foreign Affairs Institutional Infrastructure. In the 1990s, several organizations and think tanks voiced concerns about the inadequacy of the U.S. diplomatic infrastructure. The Department of State's own report said that the United States overseas presence "is near a state of crisis" and "perilously close to the point of system failure."[8] Experts called for the enhancement of the security of U.S. posts and missions abroad, the right-sizing of these posts based upon U.S. interests in a particular country and a continual readjustment as policy needs changed, the improvement of training opportunities in terms of foreign language skills and job-related training, and the modernization of communications/information technology at the State Department and its posts and missions abroad. Furthermore in 1999, Congress reorganized the U.S. foreign policy mechanism by eliminating the Arms Control and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) and merging those functions into the Department of State. State, however, was not fully reorganized to incorporate these functions.

U.S. Foreign Assistance Programs. Many foreign assistance experts have concluded that, after six decades, U.S. foreign assistance lacks strategic coherence and accountability and needs major readjustments. Critics point out that U.S. foreign assistance has been highly fragmented among the State Department, the U.S. Agency for International Development (USAID), and approximately 20 other federal government agencies that have their own assistance programs.[9] In looking at U.S. foreign assistance allocations, many observers conclude that application of U.S. foreign aid has been neither strategic nor consistent.

Further as early as 2002, the President Bush called for a change in the methodology of foreign assistance that looks not just at the resources spent but results achieved.[10] Going beyond the use of traditional foreign assistance programs, the

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[7] Secretary of State Madeleine Albright on the formation of the Overseas Presence Advisory Panel, Washington, February 23, 1999.

[8] The Report of the Overseas Presence Advisory Panel, *America's Overseas Presence in the 21st Century*, the U.S. Department of State, Washington, November 1999, p. 5. Also see *Equipped for the Future: Managing U.S. Foreign Affairs in the 21st Century*, by the Henry L. Stimson Center, October 1998; *Independent Task Force Report on State Department Reform*, Cosponsored by the Council on Foreign Relations and the Center for Strategic and International Studies, 2001.

[9] See CRS Report RL33420, *Foreign Operations (House) /State, Foreign Operations, and Related Programs (Senate): FY2007 Appropriations*, by Connie Veillette, Susan B. Epstein, and Larry Nowels, for a discussion of the changing nature of foreign assistance, pp. 7-11. Also refer to CRS Report RL33491, *Restructuring U.S. Foreign Aid: The Role of the Director of Foreign Assistance in Transformational Development*, by Connie Veillette.

[10] President George W. Bush, Remarks at the International Conference on Financing for Development, Monterrey, Mexico, March 22, 2002. It was also at this time that President

(continued...)

Bush Administration began new initiatives such as the Millennium Challenge Account, the Global HIV/AIDS Initiative (GHAI) and the President's Emergency Plan for AIDS Relief (PEPFAR).[11]

U.S. Public Diplomacy.[12] Due to a myriad of reasons, including the elimination of the United States Information Agency (USIA) and the transfer of its functions to State, some have contended that public diplomacy has become the weakest part of U.S. foreign policy and is in need of significant reform.[13] However it appears that while public diplomacy programs were becoming weaker, the importance of public diplomacy quickly became apparent as the image and influence of the United States decreased around much of the world. Questions were raised as to whether the United States is losing the "war of ideas and inspiration." The Government Accountability Office (GAO) and others criticized State's public diplomacy program for its general lack of strategic planning, inadequate coordination of agency efforts, problems with measuring performance and results, and posts not pursuing a campaign-style approach to communications that incorporates best practices endorsed by GAO and others.[14]

State Department and DOD Roles. Among many who have voiced similar concerns, the 9/11 Commission Report said that the role of the Department of State has diminished somewhat over the decades following the 1960s. "State came into the 1990s overmatched by the resources of other departments and with little support for its budget either in Congress or in the President's Office of Management and Budget.... Increasingly, the embassies themselves were

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[10] (...continued)
Bush announced the establishment of the Millennium Challenge Account, and the importance of investing in better health care and increase efforts in the fight against AIDS. Also see Ambassador Randall L. Tobias, "The New Approach to U.S. Foreign Assistance," Keynote Address at the Woodrow Wilson Center for Scholars Gala, Washington, November 17, 2006 for additional remarks regarding the Bush Administration's views on the need to change thinking about foreign assistance.

[11] See Dr. Lael Brianard's response to Senator Lugar's *Question for the Record on New Institutions* following her June 12, 2007 Testimony before the Senate Committee on Foreign Relations [http://www3.brookings.edu/global/Brainard_QFR_response.pdf]. Also see CRS Report RL32427, *Millennium Challenge Account* , by Curt Tarnoff; CRS Report RL33771, *Trends in U.S. Global AIDS spending: FY 2000 — FY2007*, by Tiaji Salaam-Blyther; and CRS Report RL33396, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Progress Report and Issues for Congress*, by Tiaji Salaam-Blyther.

[12] For a discussion of the development and changes in public diplomacy, see CRS Report RL32607, *U.S. Public Diplomacy: Background and the 9/11 Commission Recommendations*, by Susan Epstein.

[13] Foreign Affairs Council, *Task Force Report: Managing Secretary Rice's State Department: An Independent Assessment*, Washington, June 2007, p. 20.

[14] Jess T. Ford, Director, International Affairs and Trade, *U.S. Public Diplomacy: Strategic Planning Efforts Have improved, but Agencies Face Significant Implementation Challenges*, Prepared testimony before the House Subcommittee on International Organizations, Human Rights and Oversight, U.S. Government Accountability Office, GAO 07-795T, April 26, 2007, p. 8.

overshadowed by powerful regional commanders in chief reporting to the Pentagon."[15]

Since the 1990s with experience in Somalia, Haiti, Bosnia, and Kosovo, some concluded that calling on the military for nation-building placed a heavy burden on these forces that were neither trained nor equipped for such assignments.[16] Nevertheless, U.S. policy makers continued to turn to the military because there was no civilian government organization with either the same resources or on-going organizational and management experience required for complex reconstruction and stabilization situations. Many experts suggested that a designated civilian office was needed. Those calling for a new civilian organization believed winning a war as opposed to winning the peace draws on different attitudes and training, and that State's role in nation-building needs to be more clearly defined.

Transformational Diplomacy

On January 18, 2006, in a speech at Georgetown University in Washington, D.C., Secretary Rice outlined her vision for diplomacy that she referred to as "transformational diplomacy." According to Secretary Rice, the objective of transformational diplomacy is to "work with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system."[17] Her proposal included moving people and positions from Washington, D.C., and Europe to "strategic countries;" it also created a new position of Director of Foreign Assistance and changed U.S. foreign policy emphasis away from relations among governments to one of supporting changes within countries. The Administration did not request new authority from Congress for these changes, but used existing authority. This year, the Administration is seeking legislative authority (S. 613/H.R. 1084) to authorize funding and personnel issues for some aspects of the plan.

Implementing the transformational diplomacy proposal includes significant changes to the very culture and view of diplomacy, as well as the structure of the foreign affairs institutions in Washington and abroad; to diplomats' post assignments and their roles at the post; and to the tools of diplomacy, including reconstruction and stabilization efforts, foreign assistance, and public diplomacy programs. Fully instituting transformational diplomacy is expected to take years, beyond the Bush Administration's second term.

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[15] *The 9/11 Commission Report*, p. 94.

[16] Many institutions and experts have recommended strengthening civilian capabilities for post-conflict response. Among these are the U.S. Institute for Peace, Council on Foreign Relations, Center for Strategic and International Studies, the Stimson Center, and the Gingrich-Mitchell task force on U.N. reform.

[17] Testimony by Secretary Rice before the Senate Foreign Relations Committee, February 14, 2006.

Washington Changes

Organizational changes to the diplomatic infrastructure include efforts to (1) bring U.S. foreign assistance programs more in line with foreign policy objectives through the creation of a new Deputy Secretary-level Director of Foreign Assistance; (2) improve U.S. civilian capability to assist countries and societies rebuild and stabilize themselves; (3) increase the effectiveness of public diplomacy; and (4) renew efforts to expand long-needed Foreign Service training programs.

Director of Foreign Assistance and the Integration of Foreign Assistance Programs.[18] On January 19, 2006, a day after she announced the concept of transformational diplomacy at Georgetown University, Secretary of State Rice announced the creation of the position of the Director of Foreign Assistance (DFA). The appointee holds a rank equivalent to a Deputy Secretary (to denote the importance of the position, but does not confer any legal power or increased salary, according to State's Office of Legal Affairs) and serves concurrently as USAID Administrator — a position that requires confirmation by the Senate.

The DFA, with offices and staff at both the State Department and USAID, has authority over most but not all State Department and USAID foreign assistance funding, and is to provide improved organizational structure and coordination of more than 18 federal foreign assistance funding programs to bring this assistance into alignment with U.S. foreign policy objectives. The DFA has direct jurisdiction over most of State's and USAID's approximately $20 billion in foreign assistance funds. Foreign assistance programs, now under the DFA, accounted for about 53% of the total calendar year 2005 U.S. development assistance disbursements. The DFA is to provide guidance to the other agencies that control the remaining 47% of U.S. foreign assistance funds.

A starting point in understanding the reforms proposed for transformational development is the new Foreign Assistance Framework developed by the DFA. (See **Appendix B** for the new Foreign Assistance Framework matrix). The Foreign Assistance Framework is a tool to help policy makers with strategic choices on the distribution of funds and to ensure that U.S. foreign assistance advances the Administration's foreign policy objectives.[19] The Framework identifies as the ultimate goal "to help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system." Five transformational diplomacy objectives funnel funds and programs toward that goal. The five objectives are

- Peace and Security,
- Governing Justly and Democratically,
- Investing in People,

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[18] See CRS Report RL33491, *Restructuring U.S. Foreign Aid: The Role of the Director of Foreign Assistance in Transformational Development*, by Connie Veillette.

[19] Henrietta H. Fore, Acting Director of Foreign Assistance and Acting Administrator of the United States Agency for International Development, Testimony before the Senate Committee on Foreign Relations, Washington, June 12, 2007.

- Economic Growth, and
- Humanitarian Assistance.

These five objectives are linked to the traditional account structure, such as Development Assistance (DA), Child Survival and Health (CSH), or the Economic Support Funds (ESF). The objectives are also linked to activities such as "Rule of Law and Human Rights programs" under the "Governing Justly and Democratically" objective or "Health programs" under the "Investing in People" objective.

Corresponding to the five foreign assistance objectives, the new Foreign Assistance Framework also has five country categories, with countries in those categories sharing common development challenges. The country categories are as follows:

- **Rebuilding States** — States in, or emerging from, and rebuilding after internal or external conflict.

- **Developing State**s — States with low or lower-middle income, not yet meeting certain economic and political performance criteria.[20]

- **Transforming States** — States with low or lower-middle income, meeting certain economic and political performance criteria.

- **Sustaining Partnership States** — States with upper-middle income or greater for which U.S. support is provided to sustain partnerships, progress, and peace.

- **Restrictive States** — Those States where the State Department or Congress has determined that serious freedom and human rights issues are of concern.

- **Global or Regional Programs** — The category is for assistance programs that extend beyond country boundaries.

An end goal for U.S. assistance is also designated for the countries in a particular country category as well as what the next step would be for countries graduating from a particular country category. For instance, those nations designated as "Developing States" would have as their end goals the "continued progress in expanding and deepening democracy, strengthening public and private institutions, and supporting policies that promote economic growth and poverty reductions."[21] Country categories are also used to determine the distribution of funds among the various five objectives to help those countries graduate. For example, large portions of the assistance provided to the "Developing States" nations would be for the Peace

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[20] For both the Developing States category and the Transforming States category, the economic and political performance criteria established by the DFA includes, but is not limited to, criteria similar to that used by the Millennium Challenge Corporation.

[21] U.S. Department of State, "Summary and Highlights International Affairs Function 150," *op. cit.*, p. 13.

and Security and Investing in People objectives. In explaining the funding distribution for the "Developing States" category as proposed in the FY2008 Administration request, the DFA states that the main obstacles facing the countries in this category are poverty, governance, and human capacity.[22]

The Office of the Coordinator for Reconstruction and Stabilization and the Civilian Reserve Corps.[23] Since the late 1990s, foreign affairs observers have recognized that, in lieu of what had become a *de facto* military responsibility, a civilian capability needed to be established to provide large-scale humanitarian assistance and nation-building following conflict and crisis situations. However, despite the issuance of a Presidential Decision Directive and the interest of influential Senators and Representatives in developing a civilian response capability, such an organization has proved difficult to institutionalize.[24]

In June 2004 while awaiting congressional action, Secretary of State Colin Powell created the Office of the Coordinator for Reconstruction and Stabilization (S/CRS), to serve directly under and report to the Secretary of State. The military supported Secretary Powell's action in creating S/CRS. In February 17, 2005 testimony before the Senate Armed Services Committee, General Richard B. Myers, then Chairman of the Joint Chief of Staff, said that the creation of S/CRS was important to helping post-conflict countries by providing a synchronized, integrated U.S. government approach to reconstruction and stability efforts. In her January 2006 transformational diplomacy announcement, Secretary Rice included the office and its role as part of the proposal as she discussed the linkage between struggling states to a growing global threat. The State Department described the threat struggling states can pose as providing "breeding grounds for terrorism, crime, trafficking, and humanitarian catastrophes, and can destabilize an entire region."[25]

According to the State Department, S/CRS assists societies and countries in stabilizing and rebuilding themselves as they emerge from conflict and crisis situations. The office, which has a staff of about 70 people, is composed of 19

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[22] *Ibid*, p. 7.

[23] For a full discussion of the developing role of the Office of the Coordinator for Reconstruction and Stabilization and concerns that have been expressed about the concept, see CRS Report RL32862, *Peacekeeping and Conflict Transitions: Background and Congressional Action on Civilian Capabilities*, by Nina M. Serafino and Martin A. Weiss.

[24] In 1997, President William Clinton issued Presidential Decision Directive (PDD) 56, which though not fully implemented sought to address interagency planning and coordination. Several bills, including S. 2127 by then-Senate Foreign Relations Committee Chairperson Richard Lugar and Ranking Member Joseph Biden, were introduced to authorize an organization to provide a civilian response to international stabilization and reconstruction efforts during both the 108th and 109th Congress. None of these authorizing bills was enacted. Section 408 of the Department of State and Related Agencies Appropriations Act , 2005 (Division B , Title IV of the Consolidated Appropriations Act of FY2005, H.R. 4818, P.L. 108-447), endorsed the creation of S/CRS, and defined six responsibilities for the Office.

[25] Office of the Coordinator for Reconstruction and Stabilization, "About S/CRS," Department of State, May 18, 2006 [http://www.state.gov/s/crs/c12936.htm].

permanent State Department personnel, and others detailed from USAID, Office of the Secretary of Defense, Central Intelligence Agency, Army Corps of Engineers, Joint Forces Command, Joint Chiefs of Staff, and the Treasury Department, which reflects the wide array of departments and agencies that have been involved in reconstruction and stabilization efforts. S/CRS's role is to coordinate U.S. civilian agencies and the military, the United Nations, and other multilateral organizations; create plans for a unified response; develop training of civilian personnel; and manage an interagency response to deploy civilians to peace operations in partnership with the military and other multilateral institutions. Further, S/CRS monitors political and economic instability worldwide and anticipates needs to prevent conflict when possible and provide a response when reconstruction and stabilization efforts warrant.[26]

Beyond the planning, training, and the development of links to the international community, S/CRS is also in the process of creating integrated groups of crisis response personnel. An Active Response Corps (ARC), was established in 2006 and as of August 2007 has 11 trained ARC staff. The President's FY2008 Budget request would increase the ARC to 33 people. The ARC is composed of current State Department employees who volunteer for one-year tours. Secretary Rice described ARCs as an "expeditionary arm of the Department of State" that could be immediately deployed to a failed or failing state, anywhere in the world, possibly embedded with the military, to begin the assessments and arrangements that would accommodate larger follow-up teams of civilians who are expert in law enforcement and justice administration, soil experts, urban planning and infrastructure repair, and other skills required to rebuild a nation.[27] The larger follow-up groups referred to by the Secretary include a second tier, the Stand-by Reserve Corps (SRC), composed of active duty and retired Foreign Service personnel. About 300 people are on the SRC roster and have identified themselves are willing to be deployed. SRC personnel would be deployed within 30-60 days after call-up, and would serve up to six months. President George W. Bush, in his 2007 State of the Union address, discussed a third tier, Civilian Reserve Corps (CRC). The CRC would be composed of, at least, 350 individuals from a variety of sources and professions needed to help nations stabilize and rebuild. The CRC would be deployed as security conditions allow.

Currently, ARC teams of one-five people are working in Sudan, Kosovo, Liberia, and Afghanistan. The ARC deployments to Nepal, Haiti, Iraq, and Chad are completed.

Public Diplomacy. Public diplomacy is a multi-faceted effort extending beyond the government and official channels in a host country to influence the people's views about U.S. policies, culture, society, and values. There is, however, a new dynamic in the public diplomacy world that is the result of the information/communications technology revolution. Under Secretary of State for

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[26] United States Institute of Peace News Release, "New USG Office to Address Need for Coordination of Post-conflict Civilian Resources," Washington, August 10, 2004.

[27] Secretary of State Condoleezza Rice, State Department Town Hall Meeting, East Auditorium, February 23, 2007.

Public Diplomacy and Public Affairs Karen Hughes has said that, unlike the era of the Cold War, today, "there is an information explosion and no one is hungry for information. We are now competing for attention and for credibility in a time when rumors can spark riots, and information, whether it's true or false, quickly spreads across the world, across the internet, in literally instants."[28]

After USIA's elimination in 1999, public diplomacy activities were merged into the State Department. Since then, public diplomacy has been viewed by many at State as less important than political-military functions. Under Secretary Rice's plan, however, public diplomacy is elevated to be an integral component of transformational diplomacy, and part of every diplomats' job description. According to the Department of State, the strategic framework for U.S. public diplomacy now consists of three goals:

- foster a sense of common interests and values with the people of other countries;
- isolate, marginalize, and discredit violent extremists; and
- foster a positive vision of hope and opportunity that is rooted in U.S. values (i.e., a belief in freedom, equality, the dignity and worth of every human being).

Several new programs were created to advance the transformational public diplomacy agenda in today's communications environment.

- Rapid Response Unit — The Bureau of Public Affairs now monitors foreign broadcasts and blogs and produces a daily one-to-two page report on stories and issues that are discussed. It also provides a U.S. position on those issues. This daily report, which is sent to an e-mail list of several thousand senior officials from Cabinet secretaries to ambassadors and military commanders, serves to provide a common "American message."
- "Echo Chamber" Technique — Policy statements are posted on the State Department Intranet to present a unified message on key issues attracting attention in the international media. This provides a common position for those who need to write speeches, draft editorials, and prepare responses to inquiries. A common message is "echoed" instead of several different messages.
- "Unleashing" ambassadors — Under Secretary Hughes eliminated former pre-clearance rules so that ambassadors or senior embassy officers can engage the media in their host countries without permission from Washington. Ambassadors and senior embassy

[28] Under Secretary of State for Public Diplomacy and Public Affairs Karen Hughes, "Remarks at the Council on Foreign Relations," New York City, May 10, 2006.

officers are expected to speak out, and the ability to engage in public diplomacy is now part of their rating system.

Further, transformational diplomacy also treats public diplomacy on a regional basis by establishing three new regional public diplomacy hubs — in London, Dubai, and Brussels — to focus on regional news outlets, such as Al-Jazeera, instead of focusing on the bilateral relations with those countries. Reporting an approximate 25% rise in broadcast media appearances in Europe and the Middle East, the State Department says that these hubs "are having a tremendous impact, helping to make U.S. officials a regular on TV and radio news programs, as well as talk shows in Europe and the Middle East."[29]

Expanded Training. Inadequate training opportunities for the Foreign Service was one of the major criticisms in the 1990s. Former Secretary Powell had made expanded training one of his priorities under the Diplomatic Readiness Initiative (DRI) designed to increase State Department hiring, training, and technology funding. Today, enrollment in State's training classes at the Foreign Service Institute (FSI) has increased by 62% above the FY2000 level, the year prior to the DRI-related hiring increases. Enrollment in the critical needs languages has more than doubled since FY2002 from 569 students to 1,277 students, and training in Arabic has increased from 173 students in FY2002 to 468 students in FY2006.

Secretary Rice, in her announcement on transformational diplomacy, indicated that enhanced training would be available to Foreign Service Officers to improve skills in public diplomacy, technology, languages, and administering programs "to help foreign citizens strengthen the rule of law, start businesses, improve health, and reform education."[30]

To meet the increased language and new trade craft training needs of transformational diplomacy, FSI developed a new series of transformational diplomacy training seminars in such topics as Democracy Building and Rule of Law that bring together leaders from across the government. FSI also developed new curricula on Reconstruction and Stabilization, Foreign Assistance and Development, and Public Diplomacy and the Media. The Long Term Economic Training course is being revised. FSI is also placing a greater emphasis on Distance Learning (DL) programs so personnel can study at their posts instead of returning to Washington. Currently about 90 in-house developed DL products are being offered including language courses in Russian, Japanese, Chinese, Arabic, Pashto, Korean, French, Polish, and Spanish; as well as courses in Asset Management; Grants and Cooperative Agreements and an Intellectual Property Curriculum.[31] Providing individuals the opportunity to take training at FSI, however, requires the State Department to have sufficient personnel so that some can take training without

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[29] "Regional Media Hubs are Amplifying U.S. Voice Abroad," *Public Diplomacy UpDate*, Office of Public Diplomacy and Public Affairs, Department of State, May 2007, p. 5.

[30] *Transformational Diplomacy: Remarks at Georgetown School of Foreign Service*, Secretary Condoleezza Rice, January 18, 2006.

[31] "The Foreign Service Institute," Department of State, Washington, January 2007, pp. 6-7.

leaving a post empty. The Department is requesting $20.8 million in FY2008 for 104 additional training positions. The Foreign Affairs Council estimates that the State Department needs an additional 900 positions beyond its current training complement.[32]

Global Changes

Secretary Rice has stated that she believes the current use of resources no longer reflects 21st Century diplomacy demands to meet U.S. foreign policy objectives. Therefore, she is shifting the Department's resources to begin (1) a global repositioning of the Foreign Service by moving diplomatic assignments to different countries and new types of postings such as the use of American Presence Posts (APP), (2) a new emphasis on regionalization, and (3) more effective use of technology with Virtual Presence Posts (VPP) and a Digital Outreach Team.

Repositioning of Foreign Service Personnel. Secretary Rice has stated that many U.S. diplomatic personnel, responsible for implementing U.S. foreign policy on a day-to-day basis, are in the wrong place and need to be repositioned globally. Under the Global Repositioning Initiative, several hundred positions — primarily political, economic, and public diplomacy diplomats — are being transferred largely out of Washington and Europe often to more difficult "strategic" posts in the Near East, Asia, Africa, and Latin America viewed, according to Secretary Rice, as either "emerging" influential nations, or countries critical to U.S. interests. In these new positions, U.S. diplomats are called upon to do more than manage the relations between United States and the host government; they will be called upon to manage programs and build institutions to help these nations move toward a more democratic and prosperous world, according to the Secretary. The plan is to reposition several hundred positions, a total of about 200 of which will be filled by Fall 2007, with the exception of those requiring skills in the hardest languages. **Appendix A** shows the movement of diplomatic personnel in Phases 1 and 2 of the Secretary's transformational diplomacy initiative. Phase 3, affecting 93 positions, is part of the FY2008 State Department budget request.

American Presence Posts. The Secretary's plan "localizes" U.S. diplomacy by establishing small offices called American Presence Posts (APP) outside of the world's capitals to a host country's provincial, trade, and opinion centers. There are currently eight APPs in four countries.

APPs, which were first established in France in 1999, are generally staffed by one or two Foreign Service Officers with support from a few locally hired staff. The office space is generally rented, classified material is not kept in an APP, and the diplomats assigned there are to engage in public diplomacy, outreach, and the promotion of American commercial and strategic interests. The APPs maintain a working liaison with local government, labor, and commercial officials, the media, civic organizations, opinion leaders, American businesses in the area, and the resident American community.

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[32] Foreign Affairs Council, *Task Force Report*, *op. cit.*, p. 4.

New Regionalization Efforts. Under the plans for transformational diplomacy, regional and transnational strategies are taking a higher profile. State Department officials believe this is necessary because of the changing nature of the nation-state, and the growth of non-state and regional actors such as the European Union, the African Union or the Asia Pacific Economic Cooperation forum, and the growing number of transnational issues including international terrorism, international criminal syndicates, trafficking of people, environmental, and global health concerns. For example, the plan calls for deploying rapid response teams (small, transnational networks of diplomats) to monitor and combat the regional spread of pandemics, rather than having experts in every embassy. As noted earlier, the plan also establishes public diplomacy hubs to promote understanding of U.S. culture and policies in a regional effort.

Information Technology Strategies — Virtual Presence Posts and Digital Outreach Teams. A major effort behind the implementation of transformational diplomacy is to go beyond the traditional diplomacy of relations between governments to engage the people in "localized diplomacy." American Presence Posts are one part of this localization effort. Another approach is to utilize new opportunities presented by changes in information technology with the development of Virtual Presence Posts (VPP) and Digital Outreach Teams.

VPPs are one or two officers at an embassy managing an internet site explaining U.S. policy, providing news of U.S. relations with the host country, answering questions, and providing requested material. As of July 2007, there were 40 VPPs worldwide with more planned. One example is the VPP in Davao, the second largest city in the Philippines. The Davao VPP website provides news pertinent to U.S.-Philippines relations such as an article on "USAID Helps Former Moro Rebels Diversify into Banana Production." It also has hyperlinks for "Residents of Davao," "Americans in Davao," "Students," and "Business Info." The virtual aspect of the VPP is augmented with many other programs including frequent travel to Davao, outreach programs, cultural and commercial exchanges, and regular chat sessions.[33]

Digital Outreach Teams, started in November 2006, are based in the State Department and engage Arabic language blogs and forums to provide information about U.S. policies and to counter misinformation and myths posted on the blogs. The team members identify themselves as employees of the State Department. The Department reports that "the tenor of the views on these blogs and forums is decidedly unfavorable to the United States and often exhibits a virulent strain of elaborate conspiracy theories." The State Department estimates that on average, a few hundred to several thousand people see the team's postings on each site.[34]

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[33] See "U.S. Virtual Consulate, Davao," for an example of a Virtual Presence Post [http://www.usvirtualconsulatedavao.org.ph/].

[34] "Digital Outreach Team Created to Counter Misinformation about the U.S. in the Blogosphere," *Public Diplomacy UpDate*, Office of Public Diplomacy and Public Affairs, Department of State, February 2007, p. 4.

Support and Concerns About Transformational Diplomacy

Many view a shake up of U.S. diplomacy and foreign aid mechanisms as necessary in this era of transboundary issues and actors. Retired Ambassador Robert P. Finn said, "Secretary Rice ... outlined a vision for a refocusing of United States diplomatic efforts to make them conform to the realities of politics and population in the twenty-first century.... Her admirable vision for making our diplomats be in touch with the real world, both physically and virtually, is an inescapable imperative."[35] Likewise, the American Foreign Service Association, while expressing concern for certain aspects, stated, "The American Foreign Service Association strongly supports Secretary of State Rice's proposals to adapt the Foreign Service and the foreign affairs institutions to meet the foreign policy challenges of the new world that began to come into being...."[36]

There have also been important criticisms of specific aspects of the transformational diplomacy plan and how it is being carried out. Observers believe that many of the criticisms could have been avoided if there had been greater transparency as well as inclusion of diplomats, Congress, and other stakeholders in the planning stages.

Reconstruction and Stabilization

While there is support for a civilian capability to provide reconstruction and stabilization assistance, some question whether a small office has the "clout" to fulfill this responsibility. S/CRS is given the responsibility to lead, coordinate and institutionalize the U.S. government reconstruction and stabilization response. To do so, it must work with several Departments and agencies throughout the government, as well as several bureaus in its own Department. However, while S/CRS has been given an extremely large mandate, many supporters are concerned that it has not been given the authority to compel cooperation. Some have suggested that what is really needed is a new cabinet-level Department that encompasses parts of State and the other federal Departments as well as the entire USAID.[37]

Further, supporters are concerned as to S/CRS having an adequate level of funding to meet its mandate. Beyond the operating expenses portion of S/CRS, the Bush Administration requested $100 million in FY2006 and $75 million in FY2007 for a new Conflict Response Fund to be available to accelerate delivery of critical expertise and resources to address post-conflict situations. Congress is hesitant to

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[35] Ambassador Robert P. Finn (Ret.), "Transformational Diplomacy," presented at Princeton University Celebrations for the Seventy-fifth Anniversary of the Woodrow Wilson School of Public and international Affairs, Princeton, N.J., June 3, 2006.

[36] American Foreign Service Association position paper, "The American Foreign Service Association on Secretary of State Rice's 'Transformational Diplomacy' Proposal," Washington, D.C., January 19, 2006.

[37] Peter H. Gantz,"Peacebuilding: A New National Security Imperative," *Foreign Service Journal*, February 2006, pp. 36-37.

provide funding as a "blank check," and did not appropriate funding for a new Conflict Response Fund for either fiscal year. Instead in 2006, appropriators requested a "... comprehensive, disciplined and coherent strategy detailing how the Office of the Coordinator for Reconstruction and Stabilization will coordinate United States Government-wide efforts to respond to international post-conflict contingencies."[38]

To provide financial support to the work of S/CRS, the Department of Defense is authorized, through September 30, 2007, to transfer up to $100 million to the Secretary of State in FY2006 and in FY2007 for services, defense articles, and funding for reconstruction, security, and stabilization assistance if required. It was also clear that such funding is considered a temporary authority until S/CRS has adequate resources.[39] The Senate's proposed National Defense Authorization Act for Fiscal Year 2008, (S. 1547) extends the transfer authority to September 30, 2008, and increases the amount to $200 million. The accompanying Senate Committee Report, describes the transfer authority as a "pilot program," and expresses the Committee's intention to review the implementation of the authority carefully to determine if and in what manner it might be reauthorized.[40] The measure is awaiting full Senate consideration.

In its Fiscal Year 2008 budget request, the Administration requested $14.6 million for S/CRS to fund an additional 57 positions for the S/CRS office and the Active Response Corps. Congress already provided $50 million, contingent upon specific authorization, for the Civilian Reserve Corps in the FY2007 supplemental appropriation[41] (H.R. 2206/P.L. 110-28). The State Department is seeking authorizing legislation to fully implement and fund the Civilian Reserve Corps. The "Reconstruction and Stabilization Civilian Management Act of 2007" (S. 613/H.R. 1084), introduced by Senator Lugar and Representative Sam Farr, respectively, would provide necessary authority for personnel and expenditure of funds for S/CRS and the Civilian Reserve Corps.

Foreign Assistance[42]

Beyond the concerns that only a small group within the new DFA office had input on the formation of the transformational development program and the lack of

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[38] "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006," H.R. 3057/ P.L 109-102, Conference Report H.Rept. 109-265, p. 101.

[39] Sec. 1207 of the National Defense Authorization Act for Fiscal Year 2006 (H.R. 1815, P.L. 109-163, signed January 6, 2006).

[40] Sec. 1202 of National Defense Authorization Act for Fiscal Year 2008, (S. 1547, with accompanying Committee Report S.Rept. 110-77) placed on the Senate Legislative Calendar under General Orders, June 29, 2007.

[41] Sec. 3810 of "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (H.R. 2206/P.L. 110-28).

[42] For a full discussion of the Secretary's Transformational Development approach, see CRS Report RL33491, *Restructuring U.S. Foreign Aid: The role of the Director of Foreign Assistance in Transformational Development*, by Connie Veillette.

transparency and consultation involved, some proponents of development assistance have concerns about the proposal. For example, some are questioning whether the DFA has sufficient authority to truly coordinate all U.S. foreign assistance, noting that DFA authority extends to only about 53% of the total, government-wide foreign aid funds.[43]

Among the greatest concerns expressed by traditional supporters of development assistance is the continued importance of U.S. development and humanitarian programs. They ask about the meaning of a phrase stated by Acting DFA Henrietta Fore and others in the Administration: "foreign assistance ... advances our foreign policy objectives."[44] These supporters of traditional development assistance question whether sustainable development and poverty alleviation as rationales for U.S. foreign assistance are being replaced by national security and democracy promotion considerations. As evidence, those concerned point to the fact that earlier versions of the Foreign Assistance Framework had no reference to "poverty alleviation," the shifting of a large amount of foreign assistance funds from Development Assistance (DA) to the Economic Support Fund (ESF) in the Administration's FY2008 budget request, and the "overwhelming focus on the capacity of states and little reference to the well being of the poorest," as evidence that long-term development is being subordinated to short-term strategic, diplomatic goals.[45] Furthermore, physically locating the DFA in the State Department adds to their concerns of potential politicization of foreign assistance and a diminishing of USAID's role.

The Administration counters that the emphasis on development continues and the changes in funding for DA and ESF was to make the distribution of these funds more easily identified in terms of the funding the needs of each country categories. Acknowledging criticism by the Congress, non-governmental organizations, and from USAID personnel in the field regarding the lack of transparency and consultation in developing these plans, Acting DFA Fore said, "We are at the beginning of this important reform process, not the end. We must continually work to improve our reform," and she expressed her commitment to an increased spirit of consultation and transparency.[46]

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[43] CRS Report RL33491, by Connie Veillette, *op. cit.*, p. 3.

[44] Henrietta H. Fore, Testimony, June 12, 2007, *op cit*.

[45] Dr. Lael Brainard, Testimony before the Senate Committee on Foreign Relations, The Brookings Institution, Washington, June 12, 2007. Traditionally, the Development Assistance account (DA) focused on long-term sustainable development progress and poverty alleviation while Economic Support Funds (ESF) provided assistance to strategic allies based upon geo-political concerns. Also see Samuel A. Worthington, Testimony before the Senate Committee on Foreign Relations, InterAction, Washington, June 12, 2007, pp. 5-6, for his discussion regarding what he believes is politicization in the distribution of U.S. foreign assistance and his concerns regarding the use of ESF funding.

[46] Henrietta H. Fore, Testimony, June 12, 2007, *op. cit*.

Public Diplomacy

Dr. James Zogby, a noted pollster and President of the Arab American Institute, testified in early 2007 before two House Foreign Affairs Subcommittees that Arabs generally have a favorable view of Americans, their values, culture and products. More often now, though, according to Zogby, it is Bush Administration policies that are negatively influencing their opinions of the United States. He reports that while they express positive views regarding Americans, they overwhelmingly assert that they do not want U.S. help in dealing with matters of internal reform or the propagation of American-style democracy in their countries.[47]

Organizational and structural difficulties continue to impede the full implementation of public diplomacy within transformational diplomacy. The Government Accountability Office (GAO) reports that there are too few public diplomacy officers, they have insufficient time to do their work, and many positions are filled by officers without the requisite language skills.[48] Further, questions continue as to the appropriate balance between Foreign Service personnel posted abroad and limitations, largely due to security concerns, that impede them getting out to talk to local officials and citizens. GAO reports that, in many cases, the security requirements at overseas posts send an "ancillary message that the United States is unapproachable and distrustful."[49]

Another concern developed with the establishment of the public diplomacy strategic framework. The framework and the new implementing programs resulted in a single message being provided to U.S. officials, as well as foreign audiences. Some public diplomacy experts are concerned that the "top down" approach is reflective of a public relations-style approach to public diplomacy more suited to politics than foreign affairs.[50] Some also raise the concern that public diplomacy is a matter of persuasion and not one-sided propaganda. When the United States Information Agency existed, there were on-going debates between public diplomacy officers and political officers as to whether official speakers and official events should support only the "party line" or incorporate opposing ideas, as well. Two retired, USIA Public Diplomacy Foreign Service Officers explained the reaction to the USIA approach of providing a diversity of views:

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[47] James Zogby, "Arab Opinion on American Policies, Values and People," Testimony before the House Foreign Affairs Subcommittees on International Organizations, Human Rights, and Oversight, and on Middle East and South Asia, Washington, May 3, 2007.

[48] Jess T. Ford, Director of International Affairs and Trade, "U.S. Public Diplomacy: State Department Efforts Lack Certain Communications Elements and Face Persistent Challenges," Testimony before the Subcommittee on Science, the Departments of State, Justice, and Commerce, and Related Agencies, House Committee on Appropriations, General Accounting Office, Washington, May 3, 2006, pp. 9-10.

[49] *Ibid*, pp. 11-12. Also see Richard Feinberg, "Get Out of Our Garrisons — Fortress Embassies Damage Diplomacy," *Washington Post*, Washington, May 24, 2007, p. A 31.

[50] Shawn Zeller, "Damage Control: Karen Hughes Does PD," *Foreign Service Journal*, October 2006, p. 23.

> In our experience, when foreign audiences heard U.S. officials discussing policy, they were attentive. When USIA-sponsored academics respectfully differed with current policy, the result from the audiences was unalloyed admiration for the courage of the U.S. in showcasing free and open discussion. Some report that this showcasing of a diversity of opinion is no longer allowed.[51]

Global Repositioning

Security Issues. In January 2006, AFSA expressed its concerns to both the Administration and Congress regarding the security of U.S. diplomats as more are deployed to more dangerous posts under transformational diplomacy. Service in the APPs is of particular concern because Foreign Service personnel are working away from host country capitals, in rented offices, and without Marine Guard security. Following the February 15, 2006, testimony by Secretary Rice before the Senate Foreign Relations Committee, Senator Paul Sarbanes expressed similar concerns when he asked, as part of the *Questions for the Record*, about the security studies being done prior to the opening of APPs.

The Department of State, in response to Senator Sarbanes question, explained that State's Bureau of Diplomatic Security, working with an inter-departmental working group, studies the security needs of APPs. Once a post has identified a potential site for an APP and before it can be occupied, State's Diplomatic Security Bureau will examine whether the proposed site meets security standards or is being modified and will soon meet security requirements. If a waiver of certain requirements is found to be necessary so that an APP can be opened and staffed, the Secretary may make such a waiver in compliance with the Secure Embassy Construction and Counterterrorism Act (P.L. 106-113).[52]

Staffing Issues. Staffing shortfalls, the increasing amounts of time spent at unaccompanied and hardship posts, and the perception of increased pressure to volunteer for these posts could have a negative impact on Foreign Service morale. Reports of Foreign Service personnel assigned to extremely difficult postings developing Post Traumatic Stress Disorder (PTSD) add additional concerns about the relationship between staffing and morale. The Foreign Affairs Council states in discussing the issue of staffing shortages and morale:

> ... under existing conditions morale is increasingly precarious even though current attrition rates are close to normal except for senior officers. This was the lesson of the 1990s cutbacks. Personnel shortages cause lengthy staffing gaps, particularly overseas, and, eventually, burnout for those at posts.... Danger and turmoil have increased as well at many posts. The number of positions at

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[51] Patricia H. Kushlis and Patricia Lee Sharpe, *Foreign Service Journal*, October 2006, p. 32.

[52] Response to Questions for the Record submitted to Secretary of State Condoleezza Rice, February 15, 2006.

> overseas posts where families may not go is up, adding more stress.... The world of transformational diplomacy is not easy.[53]

Of the 7,500 State Department Foreign Service positions around the world, about 750 positions (250 of which are in Iraq) are designated as unaccompanied or limited-accompanied-by-family-members assignments because of the difficult and dangerous situation in those countries. Most of these unaccompanied tours are one year in duration as opposed to the two or three years for a normal tour. Because of the nature and short term of the unaccompanied tours, new personnel need to be found to staff those positions every year.

The Secretary of State has the authority to assign a qualified member of the Foreign Service to any position classified as a Foreign Service position as the needs of the Service may require.[54] She says, however, that she prefers to staff the positions on a voluntary basis, and currently both the hardship positions and other regular positions around the world are being filled, with growing difficulty, by Foreign Service personnel bidding for these positions.

Since January 2005, the State Department has made several changes to the personnel and assignment bidding systems. Changes include requiring a hardship tour before a person can be considered for promotion to the Senior Foreign Service and changing the bidding system itself so that hardship/danger posts would have to be filled first. However, indicative of the difficulty of staffing posts, especially in Iraq, the State Department announced further changes to the bidding system in June 2007 — an unprecedented country-specific assignment cycle for Iraq.[55] The Iraq assignments would have to be filled before any of the other positions, including other hardship/danger posts, for the 2008 assignment cycle. The announcement further states that if Iraq was not fully staffed, State's Human Resources Bureau will hold the assignments of highly qualified individuals until the Iraq staffing issue is resolved.[56]

In addition, staffing became stretched when Congress did not provide the Administration-requested appropriations to fund additional generalist staffing positions in Fiscal Years 2006 and 2007. Some also believe increased staffing levels called for by the global repositioning of the Foreign Service and transferring

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[53] Foreign Affairs Council, Task Force Report, *op cit*., p. 1. Also see, Shawn Dorman, "New Hires and the Foreign Service," *Foreign Service Journal*, June 2004, pp. 33-51. This article discusses "generational" differences between current Junior Officers and their predecessors, where the concerns of the spouse and the family now have become important factors in a decision to remain the Foreign Service.

[54] See Section 502 of the Foreign Service Act of 19980, as amended (P.L. 96-465; 22 U.S.C. 3982).

[55] Director General George M. Staples, "Announcing a Special Iraq Assignment Cycle for 2008," Department of State, Unclassified ALDAC 85014, Washington, June 2007.

[56] Ibid.

personnel slots to an increasing number of hardship assignments will only aggravate the staffing situation further.[57]

Overseas Reactions to Transformational Diplomacy

Transformational diplomacy is about the nature of political regimes in other countries, and it promotes the United States "working with partners to build and sustain democratic, well-governed, responsible states that will respond to the needs of their people."[58] The views of other nations then become important as to whether sovereign governments accept this agenda of the United States. For instance, will other governments take issue with Secretary Rice's January 2006 speech on transformational diplomacy in which she stated that U.S. diplomats will be "helping foreign citizens to promote democracy building, fight corruption, start businesses, improve healthcare, and reform education?" Will other governments allow the expansion of U.S. representation to American Presence Posts around their countries? And how receptive will people in other countries be to the new U.S. initiatives?

The following are examples of international reactions to the Administration's transformational diplomacy plan. The State Department intends to increase U.S. representation through the Global Repositioning initiative in three of these countries, China, Indonesia, and Malaysia.

People's Republic of China

"Many people think the logic in transformation of diplomacy [*sic*] is wrong because it thinks the character of a regime is the fundamental issue of the current international politics.... As long as the supreme state characterized by the disappearance of the borders of states has not come, it is reasonable to protect a country's sovereignty. Therefore, the theory that in order to protect the U.S. national security, it denies other country's sovereignty is an arbitrary logic as if it only let itself live, but not others.... U.S. democracy is not necessarily the prioritized choice for every country. Under the pretext of promoting democracy to intervene in other country's domestic affairs, U.S. action will surely inflict boycott from various nations and peoples."[59]

Israel

"Where the Middle East is concerned, the plan signifies a change in attitude, not in policy. Its call for many more Middle East specialists and Arabic-speakers in the

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[57] John K. Naland, "The New Foreign Service," *The Foreign Service Journal*, Washington, February 2007, p. 41.

[58] "Transformational Diplomacy Fact Sheet," Department of State, Washington, January 18, 2006.

[59] Wang Honggang of the China Modern International Relations Research Institute, "What does the US transformational diplomacy imply," *People's Daily Online* [http://english.people.com.cn/], June 2, 2006.

Foreign Service and for greater openness to the people will not affect American policy in terms of the region's conflicts. But it might help ease some of the tension — ... a positive step in the Middle East."[60]

Malaysia

"The U.S. Secretary of State Rice has recently elaborated on her transformational diplomacy strategy in an effort to transform the posture of U.S. diplomacy to focus more on promoting democratic and economic changes. Washington has apparently recognized the rapid changes in the global political environment and is now making preparations to cope with these changes. But we are afraid that this U.S.-style democracy may not be applicable in the present day emerging world environment.... If this U.S.-style democracy cannot improve the lives of people of other countries, this transformational diplomacy can only remain a political slogan of U.S. politicians. It is only when the United States is able to reduce the 30 percent high unemployment rate in Iraq, we can see a successful model of U.S. democracy taking shape in the Middle East."[61]

Indonesia

"[Indonesia] is receiving extraordinary attention in Secretary Rice's vision of 'Transformational Diplomacy.' Five new positions have been added to American posts in Indonesia — second only to China in the number of new positions created in Asia. As a convert to the democratic system, Indonesia seeks to improve its bonds with the birthplace of modern democracy. This, however, does not mean that we agree with Washington's unilateralist view of the world... . We end in the same way that we began. By exchanging views on how to emancipate the world via democratic processes (*sic*). And by being honest about our views and the fact that we cannot condone many of her country's international exploits nor the way in which it is seeking to reshape the world."[62]

Possible Considerations for Congress

Except for needed appropriations, congressional involvement in the implementation of the transformational diplomacy proposal appears to some observers to have been minimal. Changes were made under existing authorities, and no legislation or new authority was requested from Congress. This year, at the State Department's request, Congress is considering bills to authorize the full implementation of the Civilian Response Corps in the "Reconstruction and Stabilization Civilian Management Act of 2007 (S. 613/H.R. 1084)."

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[60] Nathan Guttman, "Showdown at the State Department," *The Jerusalem Post*, February 24, 2006.

[61] "US — Style Democracy Not Applicable in Present World Environment," *Nanyang Siang Pau*, Malaysia, February 7, 2006.

[62] Editorial, "Friends, not allies," *The Jakarta Post*, Indonesia, March 13, 2006.

As the proposal continues to be implemented, increased transformational diplomacy-related appropriations may be requested. Congress may also exercise its oversight responsibilities to monitor the effect that transformational diplomacy has on achieving foreign policy goals, maintaining a top quality Foreign Service, and providing the best possible representation around the world. Some areas of consideration may include the following:

- Foreign Service Personnel and Security Issues — Reports of personnel shortfalls at the Department of State, because of the staffing effects of Iraq, Afghanistan, and the new transformational diplomacy proposal, and the lack of authority to expand the number of positions may need to be addressed in future appropriations and authorizations. Concern about adequate security may also need to be monitored as Foreign Service personnel are regularly posted to more difficult and dangerous assignments. Monitoring the impact of transformational diplomacy on Foreign Service morale, recruitment, and attrition may be required to maintain a strong and effective diplomatic representation of America overseas in the future.

- Funding — While the 110th Congress passed the FY2007 Continuing Appropriations (P.L. 110-5), which included funding for the Department of State, no FY2007 money was provided specifically to implement transformational diplomacy as requested by the Administration.[63] Instead, funds were reprogrammed from other accounts within State to handle early implementation. In order to implement transformational diplomacy changes in FY2008, the Department of State is requesting a total of $124.8 million: $20.8 million for training, $14.6 million for Reconstruction and Stabilization, $39.9 million for global repositioning, $34.5 million for Foreign Service Modernization, and $15 million for public diplomacy. Through the appropriation and authorization process, Congress will likely provide oversight and funding for the plan.

- Foreign Assistance in the Future — The Administration's foreign assistance reform proposals appear to some as already being amended by Congress. The Administration requested an increase in Economic Support Funds (ESF) and a decrease in Development Assistance (DA) funds in FY2008. On June 22, the House passed

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[63] The Continuing Appropriations for FY2007 (P.L. 110-5) provided increased funding for certain portions of the accounts. Examples of the subaccounts funded include exchanges, and the Emergencies in the Diplomatic and Consular Service, that are directly related to the State Department. Certain international activities such as the Contributions for International Peacekeeping Activities (CIPA) also received specific appropriated amounts. However, the majority of the appropriations for the Department of State, including those accounts requested for transformational diplomacy, were limited by Section 101 of P.L. 110-5 to the FY2006 level adjusted for certain rescissions. Subsequently $50 million was appropriated in the FY2007 emergency supplemental (P.L. 110-28) for the Civilian Response Corps (CRC). The appropriated funds cannot be used until the CRC receives an authorization.

H.R. 2764, the Department of State, Foreign Operations, and Related Programs Appropriations, 2008. According to the House Appropriations Committee's summary, the House shifted $365 million in requested ESF and International Disaster and Famine Assistance (IDFA) accounts to the DA account to "reassert the role of USAID as the primary development agency of the U.S. Government." Likewise when the Senate Appropriations Committee reported its version of H.R. 2764, it took similar steps.

- The Future of the Reconstruction and Stabilization Initiative — Congress may consider whether to codify the existence S/CRS by adding its authorization to the State Department Basic Authorities Act of 1956, and to increase S/CRS authority to lead and coordinate a government-wide response to international reconstruction and stabilization. Further, there continues to be a question of providing an authorization and funding for a Conflict Response Fund. Some supporters have suggested that such a fund might be created as a no-year revolving fund similar to the Emergency Refugee Migration Assistance (ERMA) fund. Also, the State Department requested authorizing legislation for the CRC.

- The Future of Transformational Diplomacy — While many foreign policy experts generally agree that the world has changed and diplomacy must change with it, experts and foreign governments have raised concerns about specific aspects of the Administration's proposal. Secretary Rice said that "Transforming our diplomacy and transforming the State Department is the work of a generation."[64] If transformational diplomacy is perceived as negatively affecting U.S. interests around the world, the next administration may rethink or replace it. It is unclear how flexible the plan is and how difficult, in terms of financial and human resource costs, this plan may be to adjust or replace.

- Transformational diplomacy still does not address State's organizational structure, which was never fully reorganized when the U.S. foreign policy mechanism was reformed, merging new functions into the Department. Some, including the former House Speaker, Newt Gingrich, have said the Department is "broken" and needs to be overhauled.[65]

- State and Defense Departments' roles in some activities, and division of labor between the two, continue to be unclear. According to former USAID Administrator, Andrew Natsios, "If State doesn't become more operational, it's going to be

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[64] Transformational Diplomacy: Remarks at Georgetown School of Foreign Service, January 18, 2006, *op.cit*.

[65] "Gingrich Again Assails State Department, Calling It 'Broken,'" by Eric Schmitt, *New York Times*, June 18, 2003.

overwhelmed by the Defense Department." Retired Ambassador Prudence Bushnell said: "To implement transformational diplomacy you need a clear chain of command and accountability. This is lacking. We don't seem to have settled the role of the military and the role of the career diplomat."[66]

[66] "New Order," by Shane Harris, GOVEXEC.Com, August 1, 2006, at [http://www.govexec.com/features/0806-01/0806-01s1.htm].

Appendix A. Transformational Diplomacy and Global Repositioning

	Phase I (2006) Lost Slots	Phase II (2007) Lost Slots	Phase I and II Gains	Net Gains/ Losses
AFRICA				
Angola			1	+1
Benin			1	+1
Cote D'Ivoire		1		-1
Ghana	1			-1
Kenya			4	+4
Liberia			2	+2
Mali			1	+1
Nigeria			3	+3
Senegal			1	+1
South Africa			2	+2
Sudan			2	+2
Tanzania			1	+1
Zambia			1	+1
Subtotal Africa	1	1	19	+17
EAST ASIA and PACIFIC (EAP)				
Burma (Myanmar)			1	+1
Cambodia	1			-1
China			24	+24
China (Hong Kong)	2	1		-3
Fiji			1	+1
Indonesia			5	+5
Japan	3	1		-4
Korea	1	2	1	-2
Malaysia		1	3	+2
Philippines	1		2	+1
Singapore	1			-1
Thailand	2	1		-3
Vietnam			4	+4
Subtotal EAP	11	6	41	+24

	Phase I (2006) Lost Slots	Phase II (2007) Lost Slots	Phase I and II Gains	Net Gains/ Losses
EUROPE (EUR)				
Armenia		1	1	0
Austria	1			-1
Azerbaijan			1	+1
Belarus			1	+1
Belgium	3		2	-1
Croatia		1		-1
Czech Republic	1			-1
France		2		-2
Germany	7	4	1	-10
Greece	1			-1
Hungary		2		-2
Ireland	1			-1
Italy	2	1		-3
Lithuania	1			-1
Macedonia	1			-1
Moldova			1	+1
Norway		1		-1
Poland	3	1		-4
Portugal	1			-1
Romania		1		-1
Russia	10	3		-13
Serbia (Kosovo)	1	1	1	-1
Spain	2			-2
Turkey	1		2	+1
Ukraine	2			-2
United Kingdom	1	3	2	-2
USEU (Belgium)		1		-1
Subtotal EUR	39	22	12	-49
NEAR EAST/ NORTH AFRICA (NEA)				
Algeria	1		2	+1
Egypt			1	+1
Jerusalem			3	+3
Jordan		1	2	+1
Kuwait		1		-1

	Phase I (2006) Lost Slots	Phase II (2007) Lost Slots	Phase I and II Gains	Net Gains/ Losses
Lebanon			3	+3
Libya			1	+1
Morocco			3	+3
Saudi Arabia			4	+4
Syria		1		-1
United Arab Emirates (UAE)			6	+6
Subtotal NEA	1	3	25	+21
Afghanistan (Bagram)			1	+1
SOUTH AND CENTRAL ASIA (SCA)				
Afghanistan			8	+8
Bangladesh	1	1		-2
India			17	+17
Kazakhstan			1	+1
Kyrgystan			2	+2
Nepal			2	+2
Pakistan			2	+2
Sri Lanka	1			-1
Tajikstan			3	+3
Turkmenistan			2	+2
Uzbekistan		1		-1
Subtotal SCA	2	2	37	+33
WESTERN HEMISPHERE (WHA)				
Argentina	1			-1
Bolivia			4	+4
Brazil	3	2	3	+1
Canada	1			-1
Chile		1		-1
Colombia	1			-1
Equador			3	+3
Guatemala			1	+1

	Phase I (2006) Lost Slots	Phase II (2007) Lost Slots	Phase I and II Gains	Net Gains/ Losses
Guyana	1			-1
Haiti			4	+4
Jamaica		1		-1
Nicaragua			4	+4
Panama		1		-1
Paraguay	1			-1
Venezuela			6	+6
Subtotal WHA	8	5	25	+12
Regional Overseas Subtotal	62	39	160	59
INTERNATIONAL ORGANIZATIONS (Abroad)				
U.S. Mission/Geneva		1		-1
UNESCO Paris		1		-1
Subtotal IO Overseas		2		-2
DOMESTIC (FS & CS)[a]				
NEA/IRI			4	
INR			1	
DRL			2	
FSI			4	
S/CRS			4	
PM			2	
Subtotal Domestic	39	84	17	-106
Global Repositioning Positions Reserve	0	0	23	
TOTAL REPOSITIONED POSITIONS	101	125	200	

Source: The Department of State.

a. Specific numbers of domestic slots that would be lost by each State Department bureau were not provided.

Appendix B. Foreign Assistance Framework

(Prepared by the Department of State)

AS OF JULY 10, 2007

FOREIGN ASSISTANCE FRAMEWORK

Goal		"To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system."						
Objectives		**Peace and Security**	**Governing Justly and Democratically**	**Investing in People**	**Economic Growth**	**Humanitarian Assistance**	**End Goal of US Foreign Assistance**	**Graduation Trajectory**
Accounts within State/USAID		FMF, TI, IMET, ESF, INCLE, NADR, PKO, ACI, FSA, SEED	DA, TI, SEED, FSA, DF, ESF, INCLE, IO&P, ACI	DA, CSH, ESF, IDFA, IO&P, FSA, SEED, GHAI, ACI, Title II	DA, ESF, SEED, FSA, IO&P, ACI, Title II	IDFA, MRA, ERMA, ACI, Title II		
		Other USG Agency Contributions						
Foreign Assistance Program Areas		> Counter Terrorism > Combating WMD > Stabilization Operations and Defense Reform > Counternarcotics > Transnational Crime > Conflict Mitigation and Response	> Rule of Law and Human Rights > Good Governance > Political Competition and Consensus-Building > Civil Society	> Health > Education > Social Services and Protection for Vulnerable Populations	> Macroeconomic Foundation for Growth > Trade and Investment > Financial Sector > Infrastructure > Agriculture > Private Sector Competitiveness > Economic Opportunity > Environment	> Protection, Assistance and Solutions > Disaster Readiness > Migration Management		
	Category Definition							
Rebuilding Countries	States in or emerging from and rebuilding after internal or external conflict.	Prevent or mitigate state failure and/or violent conflict.	Assist in creating and/or stabilizing a legitimate and democratic government and a supportive environment for civil society and media.	Start or restart the delivery of critical social services, including health and educational facilities, and begin building or rebuilding institutional capacity.	Assist in the construction or reconstruction of key internal infrastructure and market mechanisms to stabilize the economy.	Address immediate needs of refugee, displaced, and other affected groups.	Stable environment for good governance, increased availability of essential social services, and initial progress to create policies and institutions upon which future progress will rest.	Advance to the Developing or Transforming Category.
Developing Countries	States with low or lower-middle income, not yet meeting MCC performance criteria, and the criterion related to political rights.	Address key remaining challenges to security and law enforcement.	Support policies and programs that accelerate and strengthen public institutions and the creation of a more vibrant local government, civil society and media.	Encourage social policies that deepen the ability of institutions to establish appropriate roles for the public and private sector in service delivery.	Encourage economic policies and strengthen institutional capacity to promote broad-based growth.	Encourage reduced need for future HA by introducing prevention and mitigation strategies, while continuing to address emergency needs.	Continued progress in expanding and deepening democracy, strengthening public and private institutions, and supporting policies that promote economic growth and poverty reduction.	Advance to the Transforming Category.
Transforming Countries	States with low or lower-middle income, meeting MCC performance criteria, and the criterion related to political rights.	Nurture progress toward partnerships on security and law enforcement.	Provide limited resources and technical assistance to reinforce democratic institutions.	Provide financial resources and limited technical assistance to sustain improved livelihoods.	Provide financial resources and technical assistance to promote broad-based growth.	Address emergency needs on a short-term basis, as necessary.	Government, civil society and private sector institutions capable of sustaining development progress.	Advance to the Sustaining Partnership Category or graduate from foreign assistance.
Sustaining Partnership Countries	States with upper-middle income or greater for which U.S. support is provided to sustain partnerships, progress, and peace.	Support strategic partnerships addressing security, CT, WMD, and counter-narcotics.	Address issues of mutual interest.	Address issues of mutual interest.	Create and promote sustained partnerships on trade and investment.	Address emergency needs on a short-term basis, as necessary.	Continued partnership as strategically appropriate where U.S. support is necessary to maintain progress and peace.	Continue partnership or graduate from foreign assistance.
Restrictive Countries	States of concern where there are significant governance issues.	Prevent the acquisition/proliferation of WMD, support CT and counter narcotics.	Foster effective democracy and responsible sovereignty. Create local capacity for fortification of civil society and path to democratic governance.	Address humanitarian needs.	Promote a market-based economy.	Address emergency needs on a short-term basis, as necessary.	Civil society empowered to demand more effective democracies and states respectful of human dignity, accountable to their citizens, and responsible towards their neighbors.	Advance to other relevant foreign assistance category.
Global or Regional	Activities that advance the five objectives, transcend a single country's borders, and are addressed outside a country strategy.						Achievement of foreign assistance goal and objectives.	Determined based on criteria specific to the global or regional objective.

**The highlighted cells indicate the implied concentration of resources by Country Category and Objective. The highlighted cells outlined in red indicate the concentration of MCC resources.*

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