

A Foreign Affairs Budget for the Future

Testimony of Hon. Thomas R. Pickering before the Subcommittee on State, Foreign Operations, and Related Programs of the House Committee on Appropriations
February 25, 2009

Madam Chairwoman, Ms. Granger, members of the subcommittee, thank you for the opportunity to testify today.

I come before you at a time when funding for the conduct of diplomacy is obviously something less than the only budgetary priority we face as a nation. I also come before you, I realize, against the backdrop of the relatively recent jurisdiction of this subcommittee in some of this territory, and of competing demands with supportive U.S. constituencies. Finally, however, I come before you as a committed internationalist with what I believe is a clear message: That we urgently need to begin rebuilding our diplomatic capacity, and that we can either pay the financial price of doing so now or pay much more – in likely costs of humanitarian, reconstruction and even military responses – later.

Events of the past decade have produced obvious shifts in U.S. national security posture. One of these in particular now merits reconsideration. Our post-World-War-II quadratic equation of military deterrence, diplomatic activism, foreign aid and human intelligence work has become seriously --and counterproductively --distorted. Rebalancing this formula rates a place among early action items for the new administration and the 111th Congress.

Reorientation must be broad-scope, or we risk ignoring some of the most crucial (and costly) lessons of our post-Cold-War experience. To view our recent redirection solely in terms of its extension of pre-emptive military force, for example, downplays the effects of a concurrent diplomatic retrenchment. In fact, the period since the fall of the Berlin Wall has seen U.S. diplomatic staffing constraints in most countries abroad, as this chart illustrates:¹

Admittedly, this trend has occurred in parallel with domestic staffing growth, fed in part by perceptions that 20th-century technology could support the conduct of diplomacy by remote control. Measured against the policy demands of the past decade, this assumption has proven premature, and that it will remain so for at least the next decade-plus. I would suggest that its pursuit has even proven counterproductive.

These findings, among others, were key outputs of the recent report “A Foreign Affairs Budget for the Future” --with which I believe you may be familiar --produced by the American Academy of Diplomacy and the Henry L. Stimson Center. I was privileged to Chair the Advisory Group for this report, a copy of which I would request be placed in the record.

The report’s principal findings were as follows:

- During the 1990s, overseas diplomatic staffing was significantly constrained. By September 11, 2001, the overseas staffing shortfall in the State Department had approached 20%.
- More than 1,000 new State Department diplomatic positions were established between 2001 and 2004. These increases, however, were quickly absorbed by the diplomatic surges in Iraq,

¹ American Academy of Diplomacy/Henry L. Stimson Center, “A Foreign Affairs Budget for the Future,” p. 1.

Afghanistan and neighboring countries.

- Since 2004, staffing increases at State have been concentrated in consular affairs and diplomatic security. Core diplomatic staffing deficits have, in effect, returned to pre-2000 levels.
- USAID currently has 2,200 direct-hire personnel who administer more than \$8 billion annually in assistance. In 1990, USAID had nearly 3,500 personnel assigned to the task of administering a total of approximately \$5 billion annually.
- There will be an increasing need for pre-and post-conflict stabilization efforts in many parts of the world, which should be managed by civilian leadership. There needs to be a permanent core of civilian experts who are ready to “surge” when required in noncombat zones; these experts should, in turn, be supported by a reserve corps of others in government and in other sectors that can provide additional or related support.
- Effective implementation of U.S. foreign policy will require an increase of 4,735 direct-hire American staff by 2014 and increased funding for Function 150 totaling \$2 billion above FY 2014 CBO Current Services estimates by the end of these five years.

As the Subcommittee considers its priorities for the 111th Congress, I would strongly recommend support for the more “field-first” staffing orientation that began to develop during Secretary Rice’s tenure. In compiling the report referred to earlier, we – its collective conceptual owners – saw the following principles as central to this end:

- First, Universality: That the U.S. should have a resident presence in every country with which it maintains national government-to-government relations, and at every multilateral organization of which it is a member.
- Second, Expanded engagement: That the Department will need significantly to expand interaction with non-national-government actors, requiring concomitant staffing increases.
- Third, Location/configuration: That to this end, the Department will need to extend the U.S. presence “in capitals and outside them,” to quote the report of the Embassy of the Future Commission, of which Ambassador Bushnell and I were both members.² This extension would be manifested by, among other things, the establishment of branch offices, American Presence Posts, and American Centers, and by the use of traveling circuit-riders.
- Fourth, Security: --Also citing the EotF report – that “to support a diplomatic presence that is distributed, the Department’s security culture and practices must continue to transition from risk avoidance to risk management.” Key to this must be expanded training and other preparation to deal with threats. However, to speak plainly, it can be anticipated as we proceed that physical threats to U.S. government personnel abroad will continue, will likely grow with dispersal, and may grow in any event. In our opinion, this is a risk which now comes with the territory. The alternative is starkly inadequate management of U.S. global policy demands. Specific to core diplomacy, State Department staffing remained static during the 1990s at a time when workload demands were growing significantly. During this timeframe, the Department absorbed most of the staffing needs associated with the opening of 20 new embassies, principally in the states of

² Center for Strategic and International Studies, “The Embassy of the Future,” Washington DC, 2007, p. 30.

the former Soviet Union and Yugoslavia, and primarily by staffing down (and even closing some) Western European posts.³

This chart illustrates these trends:⁴

Indicatively, in the way of “pay now or pay more later,” it is worth noting that State significantly constrained staffing in the former Yugoslavia after the end of the Cold War, only to spend somewhere between two and three billion dollars there in peacekeeping, refugee assistance and war crimes tribunal funding in subsequent years. Staffing in the countries in question is now more than double its Cold-War levels. It is obviously unsound to think that expanded, activist, on-the-ground pre-conflict diplomacy would alone have changed the course of events in the Balkans. However, it would seem just as hard now to come up with a net policy downside to such an approach. In any event, it is even harder to see how the financial savings produced by understaffing – at most some \$25 million annually in today’s dollars – merited even a remote risk of what became reality in Bosnia and Kosovo, or of its financial costs.

Again specific to core diplomacy, the AAD/Stimson report recommended staffing increases totaling 1,099 – in other words, staffing growth averaging 4 per cent a year for five years --and total underlying budget growth of \$510.5 million by FY 2014. We based this, in large part, on recommendations of the report of the State 2025 Working Group which I co-chaired, and which called for an expansion of core diplomacy into the following new activity areas:⁵

- Proactive and Preventive Shaping Diplomacy: To create conditions favorable to U.S. interests on an anticipatory (vice reactive) and results-oriented basis, specifically consisting of proactive multilateral leadership, pre-crisis conflict mediation and resolution, the ability to activate and influence emerging areas of international law, and development of joint-planning and joint-response strategies with both state and non-state actors.
- Engagement of Non-Traditional Actors: A strengthened institutional means to understand, engage and partner creatively with private sector and Non-Governmental Organization (NGO) actors.
- Integrative diplomacy: Coordinating the periodic development of a Global Affairs Strategic Plan and presenting a related and integrated annual Global Affairs Budget; and, leading development of government-wide regional strategic plans and expanding its senior-level diplomatic visibility.

Madam Chairwoman, I think two particular subsets of activity merit mention. The first is an ever-growing importance of the Economics, Science and Technology portfolios in the conduct of U.S. foreign affairs. These functions are understaffed for existing overseas work. Overseas positions allocated to State’s economics portfolio, for example, total 519, approximately 8 percent of State’s core diplomatic workforce, and this following growth by just under 100 staff-years in the past decade. The report specifically recommends a further near-doubling of this growth during the next five years, corresponding to 80 additional staff, to be deployed at posts abroad,

³ Department of State, Congressional Budget Justifications, Washington DC, 1992-95.

⁴ American Academy of Diplomacy/Henry L. Stimson Center, op. cit., p. 8.

⁵ Based on recommendations 1-3, Advisory Committee on Transformational Diplomacy, Final Report of the State Department in 2025 Working Group, U.S. Department of State, Washington DC, 2008.

detailed to multilateral development banks, and to the offices of U.S. Executive Directors of such institutions.

The Academy has previously recommended that State “have a formal mandate to manage international science negotiations and ... make an aggressive effort to recruit officers with the ability to understand sophisticated scientific issues and methodology.”⁶

The Department currently has ESTH (Engineering, Science, Technology & Health) staff at 35 locations abroad. We believe that on the basis of current staff distribution, an increase of 70 overseas staff is warranted.

Also warranting specific discussion looking ahead is an obvious need for reinvigorated multilateral core diplomacy, meaning development and execution of longer-term more proactive strategies for influencing the agendas of multilateral institutions, and strengthened presence in such institutions to these ends. For the latest year in which records are available (2005), a total of only 28 State Department employees were detailed or seconded to multilateral organizations other than NATO, a figure hardly commensurate with our policy interests. Our report recommended a total of 100 additional staff for such assignments and related work.

One uplifting thing I can say about core diplomatic capacity is that it has fared marginally better than its public diplomacy stepchild. A number of significant analyses have documented Public Diplomacy’s declining fortunes in the post-Cold-War era, notably the report of the Smart Power Commission, of which I was a member, which cited a 30-per-cent real-dollar decline in spending between 1994 and 2008, illustrated as follows:⁷

At the admitted risk of the obvious, we noted the not-uncommon 1990s assumption “that a strong public diplomacy effort was no longer needed after the fall of Communism in Europe.”⁸ To some, Public Diplomacy looked like an easy kill during a time of overall U.S. Government fiscal constraint. At the risk of the more obvious, I think it safe to say that this represented a bad job of seeing around corners. The plain fact was that there were new generations of hearts and minds to win, and new competition for them in a technologically-exploding new information age. At the same time, our reaction to physical security threats and budget constraints has included closings of facilities abroad important to public diplomacy efforts, and concentration of personnel in compounds sometimes distant from population centers.

Whatever one’s views regarding the validity of the U.S. policy message in recent years, I would argue that shooting the public diplomacy messenger served no-one’s interest. The fact remains that more than any other nation, the U.S. is looked to for ideas, innovation and opportunity. In most of the world, the U.S. is viewed as a society that recognizes individual initiative and rewards talent. We need to do a far better job of capitalizing on that outlook.

Our report calls for Public Diplomacy staffing increases of 487 U.S. citizen direct-hire and 369 locally-employed staff, with underlying budget growth of \$155.2 million over five years. We

⁶ American Diplomacy for a Changing World, American Academy of Diplomacy, November 2004, p. v.

⁷ CSIS Commission on Smart Power, A Smarter, More Secure America. Washington, D.C., p. 48.

⁸ American Academy of Diplomacy/Henry L. Stimson Center, op. cit., p. 24.

further propose expansion of public diplomacy programs – including a doubling of international exchange programs, a 50-per-cent increase in International Visitor grants, and a 25-per-cent plus-up for youth exchanges – at a further cost of \$455.2 million over baseline during the same timeframe.

Significantly, our Public Diplomacy recommendations also comprise the proposed opening or re-opening of 40 free-standing American Cultural Centers and three new media hubs abroad. This of course returns us to the question of physical security, which I touched on earlier. The past year has seen an unusual set of milestone anniversaries in the ongoing evolution of international terrorism, some largely unmarked but significant. Among these were the 30th anniversary of the onset of the Iranian revolution of 1978-79, the 25th anniversaries of the bombings of U.S. Embassies in Beirut and Kuwait, and the 10th anniversary of the attempted bombings of U.S. Embassies in Kenya and Tanzania. The terrorist activity of which these events are emblematic has produced obvious – and continuing --shifts in U.S. diplomatic deployment. Secretary Rice some time ago recognized the downside impact of these changes, committing to “move our diplomatic presence out of foreign capitals and to spread it more widely across countries [to] work on the front lines of domestic reform ...”⁹ Reinforcing this, two weeks ago, Senator Lugar introduced a bill specifically citing the “budgetary and security pressures which have resulted in the drastic downsizing or closure of most ... American Centers,” and endorsing the goal of their re-establishment.¹⁰

Former Secretary Albright had it right ten years ago: job one is “to ensure the effective promotion of U.S. interests and values around the world.”¹¹ Expanded diplomatic activism is imperative to this work, and entails greater risk to diplomatic personnel which I, and I believe most of us, would say is worth the return.

Madam Chairwoman, as I mentioned earlier, our report also comprised significant findings and recommendations in areas relevant to training and assistance diplomacy, issues which my co-panelists are here to address, but which we strongly support.

In terms of USAID, we propose that staffing be increased by 1,050 Foreign Service Officers and 200 civil servants between the present and 2014, as well as an increase in the number of Locally Employed Staff (LES). These staffing additions would require annual increases in the USAID Operating Expenses budget that results in a budget \$521 million above the current services baseline by FY 2014. In addition, to provide a substantial surge capacity for reconstruction and stabilization efforts, we propose an increase in U.S. direct-hire staffing of 562 by 2014. These increases and related program costs would require an annual funding increase of \$286 million by FY 2014. This would respond to what I believe is a broadly recognized need for a civilian surge capacity to intervene prior to conflicts and to assist with stabilization and reconstruction after conflicts abate. Such capacity should be an integral part of the civilian toolkit available to the Secretary of State to deal with contingencies that may arise in the coming years.

⁹ Condoleezza Rice, “Transformational Diplomacy,” January 18, 2006, Georgetown University.

¹⁰ S. Res. 49, “To express the sense of the Senate regarding the importance of public diplomacy,” intr. Feb 13, 2009.

¹¹ 11 “Remarks on receipt of the Report of the Accountability Review Boards on the Embassy Bombings in Nairobi and Dar es Salaam,” January 8, 1999.

It is my understanding that an upcoming hearing will examine issues relevant to security assistance authorities and staffing, at which our report's principal contributor in this lane, Gordon Adams, will testify.

I realize, of course, that the some of our recommendations, specifically in the area of expanded training, will likely be partially addressed as the fiscal year 2009 appropriations cycle is concluded. I am also aware that the outlines of the President's Budget for the 2010 fiscal year are expected to be before you tomorrow. It is my hope, based on what the Administration has been saying publicly, that the President's request for overall State Department operations will be ambitious. I also realize that prioritizing among request components has never been a State Department strong point. What our report has put forward is a collection of what we consider to be the top operational priorities for consideration by this subcommittee, and I strongly urge their favorable consideration.

Thank you Madam Chairwoman. I await your questions.