



Testimony of the Honorable Thomas D. Boyatt
President, Foreign Affairs Council
Chairman, American Academy of Diplomacy Foreign Affairs Budget Project

*Senate Committee on Homeland Security and Government Affairs
Subcommittee on Oversight of Government Management, the
Federal Workforce, and the District of Columbia*

Hearing:
The Department of State's Human Capital Needs
July 16, 2008

Mr. Chairman, Senator Voinovich, Senators, when I testified before this subcommittee last year I informed you that the American Academy of Diplomacy was seeking private financial support for a project designed to produce a bottom-up analysis of the International Affairs Function 150 Account. We were successful. Thanks to a generous grant from the Una Chapman Cox Foundation, the Academy has been working on this project since late January. We are grateful Mr. Chairman and Senator Voinovitch that you have both joined this effort as members of our Advisory Council. Our goal is to combine the vast experience of the Academy's members (several thousand years at U.S. Embassies and in foreign affairs agencies) with the academic rigor of a group of foreign affairs budget experts brought together by the Henry L. Stimson Foundation to produce a 150 Account that funds the human and financial resources to allow the achievement of America's foreign affairs missions.

In discussing the subject at hand, we all use simple code words like "State Department," "Foreign Service," and "diplomacy" to communicate much more complicated realities. In our budget work we have grappled with these definitional problems. I would like to clarify the parameters of references in our study of these subjects.

First, the prime directive is that we are dealing with those activities in the 150 account for which the Secretary of State is responsible. As you know, the Peace Corps is under the 150 account, but the Secretary has no control over that organization. It is excluded from our study. Likewise, the multilateral

development banks are not controlled by any element of the U.S. Government and are, accordingly, also excluded although they are “line items” in the 150 account.

Second, all references to “staff,” “foreign service personnel,” “employees,” the “Foreign Service,” and the like include all personnel systems subject to the authority of the Secretary of State, including Foreign Service Officers, Foreign Service Specialists, Civil Service personnel, local national employees, and all categories of AID personnel.

Third, references to “diplomatic activity,” “diplomacy,” “foreign policy functions,” etc., include the four major categories of foreign affairs activity: core diplomacy, public diplomacy, economic assistance, and stabilization and reconstruction. The Secretary and all of the personnel systems and bureaucratic structures under the 150 account are responsible for carrying-out all of the missions in these four categories.

THE PROBLEM

Since the fall of the Berlin Wall, the diplomatic capacity of the United States has been hollowed-out. A combination of reduced personnel, program cuts and sharply increased responsibilities has put maximum pressure on the capacity of the agencies responsible for the missions of core diplomacy, public diplomacy, foreign assistance, and stabilization and reconstruction under the 150 Account.

During the 1990’s overseas staffing for these functions was significantly reduced in the context of the roughly 30% real dollar reduction in U.S. international spending as the “peace dividend” was cashed. In addition, the implosions of the Soviet Union and Yugoslavia resulted in the need to staff 20 new U.S. Embassies in the new countries created. By September 11, 2001, the overseas staffing deficit in the State Department had approached 20%, with a larger gap in AID.

Secretary of State Colin Powell’s Diplomatic Readiness Initiative (DRI) created over 1,000 new Foreign Service positions in the 2001-04 period, bringing core diplomatic staffing almost back to Cold-War levels. These increases, however, were quickly absorbed by the diplomatic surges in Iraq, Afghanistan, and neighboring countries. Since the DRI ended in 2004, staffing increases have been largely limited to consular affairs and diplomatic security. Core diplomatic staffing levels have, in effect, returned to 2000 levels. The current realities are:

- At the beginning of 2008 State reported that over 11% of its overseas Foreign Service positions were vacant, as were almost 40% of its domestic

Foreign Service positions. This translates into a shortfall of over 2,000 positions in the performance of traditional and public diplomacy.

- Training lags seriously because of personnel shortages. A well-trained work-force is extremely difficult to achieve when every training assignment leaves a working position empty. A 2006 GAO report found that 29% of language designated positions at embassies and consulates were not filled with language proficient staff. Functional training – particularly in management and leadership skills – suffers equally.
- USAID currently has 2,200 personnel administering over \$8 billion annually in development and other assistance (excluding cash grants) following staffing reductions of about 40% in the last two decades. In 1990 AID had nearly 3,500 personnel administering an annual total budget of approximately \$5 billion.
- In public diplomacy, reduced budgets and staff devoted to explaining America abroad after the end of the Cold War contributed to reduced understanding of and respect for this country in many parts of the world. More skilled staff and increased resources are required in this area.
- 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. While NSPD-44 directs the State Department to coordinate government-wide stabilization and reconstruction operations, the Defense Department (DOD) is essentially assuming most of the responsibility for these efforts. There needs to be a permanent core of civilian experts ready to “surge” when required; these experts should in turn be supported by others in government and other sectors who can provide additional support. In March, legislation (HR 1084) to authorize the Secretary of State to establish a Response Readiness Corps and Civilian Reserve Corps to provide stabilization and reconstruction activities in countries at risk or in transition passed the House. The companion authorization bill in the Senate (S. 613) passed out of the Committee on Foreign Relations in April but final passage in the Senate has not occurred.
- The “militarization of diplomacy” is noticeably expanding as DOD personnel assume public diplomacy and development positions that civilian agencies do not have the trained staff to fill. In addition, in the area of security assistance – traditionally the authority of the Secretary of State, but implemented largely by DOD – a number of new Defense Department authorities have been created, reducing the role of the Secretary of State even more in this vital area of U.S. foreign policy

THE SOLUTIONS

Our Project, "The Foreign Affairs Budget for the Future," of course, will make a series of recommendations in the context of the 150 Account budget to address the above problems. Our effort is still in the draft and discussion stage and I am not in a position to outline these recommendations in detail until we have completed our work in September. When we have a completed report in hand we will offer to personally brief the Committee Chairs and Ranking Members of all of the relevant committees in the Senate and House. We will be contacting you both, Chairman Akaka and Senator Voinovich, at that time but, of course, we appreciate the role you are playing as Advisory Council members on this project. In that capacity, we welcome your input prior to the final release of the report.

Meanwhile, I can give you a general sense of our recommendations assuming always that you understand there may well be changes, even significant changes, as our work progresses. Essentially, there are "three deficits" that must be overcome: personnel deficits, a significant training deficit, and an authorities deficit in regards to security assistance.

The Personnel Deficit. Filling all currently vacant positions and providing above attrition new positions to meet recently established needs in traditional diplomacy (including assignments to other national security agencies) and public diplomacy, would require about 1250 additional staff. In addition, 1250 additional foreign assistance personnel are needed as are about 550 new staff for the stabilization and reconstruction function. Total - something over 3000 additional positions/personnel.

The Training Deficit. Training, of course, applies to all four of the above foreign affairs activities. It is not enough to have more personnel. These employees must receive the language training and professional development, particularly in management and leadership, to enable them to meet the new challenges of the post-cold war world. 1250 additional training/transit positions are required to implement our training imperatives.

The Authorities Deficit. Since 9/11 and the onset of the Afghanistan and Iraq conflicts DOD has acquired authority over new security assistance programs. The new security assistance programs belong, like earlier predecessors, under the authority of the Secretary of State with implementation continuing under the aegis of DOD. In other cases DOD is seeking to "globalize" activities currently being executed by Combatant Commanders in combat situations. We recommend against such extensions.

CONCLUSION

In a few months we will witness the advent of a new administration - Republican or Democratic. The next President and his Secretary of State will face multiple problems ranging from Al-Qaeda and other terrorist organizations to the challenges of globalization HIV/AIDS and other pandemics, environmental degradation, and failed states. Opportunities also will abound in relation to rising powers, non-proliferation, strengthening of international trade and finance systems, and achieving improvements in the quality of life in developing and transitional societies. These critical challenges and opportunities can only be met effectively through a significantly more robust foreign affairs capacity that features skilled diplomats and foreign assistance professionals.