

**THE PRESIDENTIAL INBOX**

# Reform the Foreign Policy Toolkit for a Rebalanced World

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## Topline

The next administration will need to adjust to the reality that the global power balance has reduced US influence in the world and most global challenges require multilateral answers. In every region of the globe, rising powers are creating new economic and diplomatic dynamics. In balance-of-power world, military might alone will not be enough to assert or defend US interests. Because the most pressing global security challenges are neither susceptible to military solutions nor solvable by any one nation alone, robust new diplomatic, economic, and foreign assistance capabilities will be necessary to secure American interests. This will require fundamental reform to America's foreign policy toolkit. The next President can make most of these reforms in the executive branch without legislation.

**The Presidential Inbox** is an ongoing series examining the international challenges that will face the next presidential administration and providing concrete recommendations for presidential action.

## The Problem

**In every region of the globe, rising powers are creating new economic and diplomatic power balances.** This rebalancing of the global system is not solely the result of a rising China and Russian assertion. From Iran and Turkey in the Middle East to India in South Asia and the Pacific to Brazil in South America and Vietnam and Indonesia in the Pacific, new powers are increasingly carving more independent paths or even challenging US policy.

**New and growing global challenges cannot be addressed with military force.** In this balance-of-power world, military might alone not be enough to assert or defend US interests. The challenges that face the next President will of course go well beyond confrontations with China and Russia, which themselves will demand capable and skilled diplomacy and use of the economic tools of statecraft. Moreover, the tendency of successive US administrations to assert interests through the use of the military has not stabilized the global system. Arguably, excessive reliance on military force has accelerated the centrifugal forces at work, as military failures and blowback have made a dominant military less useful as a tool of statecraft.

Climate change, migration, and economic inequality are not susceptible to military solutions, but they are growing security challenges. Moreover, they cannot be solved by one nation alone. It will require highly skilled diplomacy and economic policies to manage these challenges and build the coalitions necessary to solve them. Thus, the next administration will need to increasingly rely on the civilian tools of statecraft and reduce the extent to which the Defense Department has taken principal responsibility for US global engagement.

**Yet deep problems at the Department of State and in the foreign assistance institutions have persisted for decades, rendering them ill-suited to this new environment.** More money and more people will not be enough. America's civilian foreign policy toolkit is riddled with dysfunctionalities that require more fundamental reform if America is to re-balance its portfolio.

## Essential Context

### The Decline of American Influence

The principal feature of the foreign policy landscape in this century is America's declining ability to shape global affairs. American power, per se, has not declined; rather others have risen. China, Russia, India, Iran, Turkey, for example, are stepping away from the rules and institutions of the past 70 years, acting increasingly on their own and pursuing their own interests. While the current administration has accelerated trends long under way, the decline of America's influence is the result of policies that reduce America's influence, broad changes in global economic growth, and the democratization of technology. These factors, and others, create a more level playing field for states and nonstate actors alike and are changing the "rules."

### US Cannot Address Global Challenges Alone

At the same time, the global security agenda has reached near crisis stage with respect to issues that cannot be addressed or solved by the US alone. Economic power has shifted radically, but profound disparities undermine internal and global economic security. Chaos and poverty in the Middle East, Africa, Asia, and Africa have exacerbated a migration crisis, with nearly 70 million displaced, 25 million outside their own country. Global warming and the accompanying climate change have reached epidemic levels. Health crises across borders threaten stability and security.

### With New Powers Comes New Problems

America's civilian national security institutions are woefully unprepared to meet these new powers and problems:

- **State lacks knowledge, experience, and even interest in strategic planning.** There is little organizational commitment to management, conflict resolution and prevention, or program planning and evaluation, all critical skills for diplomats today. Diplomats are not consistently trained in these skills nor is there systematic training on the transnational foreign policy challenges they will face: economic disparities, civil wars and conflicts, climate change, migration and immigration, global health, etc. Nor are diplomats recruited or promoted with these skills in mind.

- **US foreign and security assistance programs are similarly disadvantaged.** Economic assistance is dispersed among a number of agencies from the State Department and USAID, to Treasury and the Millennium Challenge Corporation, and beyond to virtually every government agency -- with minimal coordination or strategic focus. Most aid programs attempt to address important problems but are dispersed to too many countries, cover too many activities, have too little strategic guidance, and are too small to make a significant difference. As a result, they do not consistently address the drivers of internal and cross-border conflict: the absence of effective, efficient, responsive governance.
- **Security assistance programs are also dispersed,** with the Defense Department playing a growing role, focused on strengthening military and security forces, but not on empowering governance. US programs lack strategic guidance, are aimed at a handful of countries in the Middle East, are virtually never evaluated, and tend to empower political forces in recipient countries that undermine stable governance and internal security.

## Reshaping America's Global Engagement

Simply reversing the budgetary and personnel trends created by this administration will not be enough for the next President to have strong, strategic civilian tools of statecraft. In a changed world, these dysfunctionalities plus more diplomats and money will only undermine efforts to reshape America's global engagement; they will compound these dysfunctionalities. The resulting policy failure will only serve to reinforce the major role played by the military in US global engagement. An expanded role for the military will, in a vicious circle, ensure that US influence declines and global challenges go unsolved.

## Policy Recommendations

- ➔ **Focus on the future of America's role in this new, rebalanced world.** Put strategic planning at the top of the State Department mission. Make State's Policy Planning office a real strategic planning capability, linked to State's budget planning office, joining strategy and funding. Devote resources to contracting with external strategic research and planning organizations that can support State's mission.
- ➔ **Overhaul recruitment and training of new diplomats to match the skills needed in this century.**
  - Make strategic planning and implementation a mandatory element of Foreign Service training.
  - Recruit, train, empower, and reward diplomats with the skills that are relevant to the challenges of this century: conflict mediation and prevention, the sources and solutions to economic disparities, climate change, migration and immigration policy, global health challenges. This means creating curriculum for each topic at the Foreign Service Institute and making that curriculum a mandatory part of diplomatic training.
  - Create diplomats who are skilled managers, not just negotiators. Train and empower diplomats and civil servants at State in program development, management, implementation, and evaluation.

→ **Completely restructure foreign economic and security assistance programs**

- Ensure that diplomats know the full gamut of programs through which the US engages the world. Rotate all diplomats through foreign assistance programs, so they know and understand the contribution of these programs to US foreign policy. Hire personnel at a mid-career level from the private sector who have this knowledge.
- Integrate strategic planning at State into all economic assistance programs. Combine the strategic planning functions of [all the economic assistance agencies](#); establish performance standards for US economic assistance.
- Connect State Department policy definition and planning to strategic budgetary planning. Establish planning and budgeting capabilities in all regional bureaus of the State Department and have them report to the central budget office.
- Make multilateral programs and opportunities a centerpiece of economic assistance planning. Across the State/foreign assistance toolkit, the administration should maximize a multilateral focus, including learning from the best practices of others: Norway, Sweden, France, Germany, UK, China.
- Conduct a systematic, strategic review of US security assistance programs and shrink them as part of US foreign assistance. Focus reduced funding on strategic priorities; eliminate lower priority, underperforming, programs and programs that exacerbate security crises and poor governance in recipient countries; Include DoD programs in this review and restore State policy authority over security assistance.

→ **Strengthen the Institutions Before Strengthening the Core**

- The order of reforms matters: Stronger diplomatic and foreign assistance institutions will be able to assert themselves in policymaking at the NSC level. Many have advocated [reforming the National Security Council](#) in the White House to coordinate among the various departments. While the next President can and should make better use of the coordinating capacity of the NSC, without strengthening the civilian diplomatic and foreign assistance capabilities of the executive branch, a reformed NSC will only reproduce the imbalance of influence between the military and diplomatic departments. Institutional reform should happen first.
- Restore the National Security Council's coordination role which the current administration has largely abandoned. It will be important, nonetheless, for the next President to also focus on strengthening the strategic planning of the NSC and putting it at the center of cross-agency policy coordination, restoring it to the model used by most administrations since President George Herbert Walker Bush.