

Nov 04, 2016 by [Cari E. Guittard](#)

## The Privatizing of American Power – An Issue Americans Can’t Afford to Ignore <sup>[1]</sup>

As our attentions are increasingly focused on the Middle East, deficit reduction, spending and job creation...one issue that receives little attention but is inextricably linked to each of these critical issues is the mass privatization of American power. We are exploring this theme in my Corporate Diplomacy II course this spring, the inspiration of which came from the work of international relations scholar Allison Stanger, Director of the Rohatyn Center for International Affairs at Middlebury. Stanger, who recently appeared on The Daily Show, is the preeminent expert in U.S. government privatization trends, particularly in the areas of foreign policy and defense. Her book, *One Nation Under Contract: The Outsourcing of American Power & The Future of Foreign Policy* is essential reading for every elected official and any American seeking a better understanding of where our taxpayers’ dollars are spent overseas.

It is important to note at the outset that one of her primary conclusions is that “Outsourcing done right is, in fact, indispensable to America’s interests in the information age.”

Additionally, Stanger makes three arguments in *One Nation Under Contract*:

- The outsourcing of U.S. government activities is far greater than most people realize, has been very poorly managed, and has inadvertently militarized American foreign policy;
- Despite this mismanagement, public-private partnerships are here to stay, so we had better learn to do them right;
- With improved transparency and accountability, these partnerships can significantly extend the reach and effectiveness of U.S. efforts abroad.

Further detailed findings can also be found in Stanger’s testimony last summer to the Senate Budget Committee. Be forewarned, this reading is not for the faint at heart. Don’t say I didn’t warn you. This opening paragraph really hits at the heart of the issue...

*Despite this paradigm shift in how government conducts its daily business, contracting continues to be perceived as something peripheral to policy itself rather than wholly comprising it. When contracting and grants comprise 83 percent of the State Department’s requested budget, as they did in 2008, 82 percent of the Pentagon’s budget and a whopping 99 percent of USAID’s net cost of operations, this is clearly no longer the case. In the foreign policy realm, with America’s first two contractors’ wars in full swing, contracting has become a clear strategic issue. It must be treated as such.*

As a former civil servant FTE (full-time employee, direct hire) with the State Department and someone who has been an advocate for public-private partnerships and corporate diplomacy

through my work with Business for Diplomatic Action, I deeply appreciate Stanger's findings and call to action. I am also in violent agreement that there needs to be a candid public discussion about how we fund and execute foreign policy and fight wars. Stanger has been trying to raise the issue for years; I hope people are finally listening. She is a pioneer. Maybe now that her work has been featured on The Daily Show we might actually all pay attention. This is an issue we can no longer afford to ignore.

#### **FOR MORE INFORMATION**

- Allison Stanger: <http://www.middlebury.edu/academics/ps/faculty/as>
  - Howard Consulting Group: <http://hcgpublicaffairs.com/>
  - Global Strategic Partners: <http://www.gsp.us.com/>
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