REPORT OF THE WORKING GROUP ON FOREIGN POLICY INFRASTRUCTURE AND GLOBAL INSTITUTIONS

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A NATIONAL SECURITY INFRASTRUCTURE FOR THE 21ST CENTURY

PRINCETON PROJECT ON NATIONAL SECURITY
WORKING GROUP ON FOREIGN POLICY INFRASTRUCTURE AND GLOBAL INSTITUTIONS

Joseph S. Nye, Jr. and Anne-Marie Slaughter (co-chairs)

Introduction

This report is based on the work of the Princeton Project on National Security (PPNS) Working Group on Foreign Policy Infrastructure and Global Institutions, which met five times between November 2004 and August 2005. The working group's members included Ivo H. Daalder, Mickey Edwards, Michèle A. Flournoy, Richard N. Haass, John Hewko, Edmund J. Hull, Lorelei Kelly, Anja Manuel, Jeffrey Miotke, Stewart Patrick, Allison Stanger, Max Stier, Amy Zegart, and co-chairs Joseph S. Nye, Jr. and Anne-Marie Slaughter. Working group members examined national security institutional and infrastructure needs by drawing on their own extensive experience and expertise, contributing think pieces for discussion, and commissioning three longer papers on democracy promotion, reconstruction and development, and intelligence reform.

The working group reached general agreement on many of this report's points, but the report is not a consensus document. Instead, it reflects the views of the co-authors as informed by the working group's input and deliberations. The report was written by the co-chairs and working group research assistant Jordan Tama.

The report draws upon the views and reports of other PPNS working groups. In a sense, it logically follows the reports of the other groups because its focus is on equipping the U.S. government for implementing a national security strategy. But government institutions must also play a central role in formulating national security policy, so this report's themes are relevant to the entire policy process, from policy development to execution.

As the reports of the other working groups highlight, the United States faces both transnational and state-based threats, including catastrophic and conventional terrorism, highly infectious diseases, a global financial meltdown, the rise of China, and dependence on a handful of states for oil. These threats, although different in origin, present common challenges in terms of national security infrastructure. They all require a set of national security institutions that can:

- process, analyze, and integrate vast quantities of information from all parts of the globe quickly and accurately;
- work effectively with each other and with other relevant government agencies;
- respond quickly and flexibly, and adapt continually to changing circumstances;
• collaborate with their counterparts abroad and with international institutions on a real-time basis;

• and partner successfully and accountably with the private and non-profit sectors.

In short, the United States needs an infrastructure that enables its national security officials to play chess on two boards at once, with state and non-state actors, in the face of a very fast time-clock and rapidly changing rules.

To achieve this capability, the United States must reform government institutions and the people within them, and must build capacity within government and without. Specifically, it needs to organize government for the information age and establish joined-up government and governance.

1. **Government organized for the information age**: Government is awash in national security information, but too often does not use that information wisely. As countless studies have pointed out, often the problem in meeting a threat or responding to a crisis begins with “knowing what we know.” Policymakers need to know what capabilities we possess and be able to connect the relevant actors, both in the U.S. government and in other governments, so that they can share and update information. Second, national security officials must manage information strategically, rather than consuming it passively, by learning to get the information they need to make decisions and/or sift it from the mass of information available to them. Third, decisionmakers need the capacity to respond quickly and adapt to incoming information. The rapid transmission of information through networks or other means must spark timely action and reaction, and better still, prevention of problems and crises. Fourth, congressional and executive branch officials must use information to monitor action through metrics designed to measure and improve national security performance and to hold actors accountable for their results. Fifth, the United States needs to deploy information as the core of its soft power (the power of attraction rather than coercion). Individuals abroad cannot be attracted to us if they do not know who we are and what we do. Finally, government must use information to facilitate action by other governments and non-governmental actors, rather than directing or undertaking all efforts itself.

2. **Joined-up government**: Stove-piping is the internal enemy of a unified national security effort. Government officials must be connected to one another, not only so that they know what other parts of government are doing, but also to build on synergies and use all types of power, hard and soft, effectively. Achieving joined-up government requires changing not only structures but also people and cultures, so that individual officials perceive career advantages in working in and with other bureaucracies and in collaborating as part of a team. Joining up officials effectively within government will also equip the United States to connect to foreign government officials through existing and new networks. Joined-up
action capacity must be supplemented by joined-up planning and monitoring capability.

3. **Joined-up governance**: Global challenges of the magnitude that we face cannot be met by government alone. The United States needs the power, wealth, and innovation of the private sector as well as the expertise, credibility, and commitment of the nonprofit sector. Public-private partnerships are becoming a way of life in America's defense infrastructure; public-nonprofit partnerships are equally visible in the U.S. development and democracy promotion infrastructure. The United States must be able to harness the capacity that these governance networks provide, while maintaining the integrity and accountability of government action. In some cases, the role of government should be that of catalyst: to enable and facilitate action by non-government actors. In other cases, the United States can benefit from monitoring and evaluation networks involving the private and nonprofit sectors, which feed information about government performance back into government institutions.

Instead of creating new bureaucracies, the United States must link existing ones. Instead of creating vertical command structures, it must build horizontal networks and direct them from the center outward rather than from the top down or the bottom up. Instead of building all new capacity within government, America must learn to use government to harness the capacities of domestic and foreign private and nonprofit actors.

A joined-up, information-based government capable of interacting quickly and effectively with foreign government, private sector, and nonprofit actors would be a government with quick reflexes capable of protecting and promoting national security in the 21st century.

**I. Government Organized for the Information Age**

**Key proposition**: The effective collection, processing, analysis, distribution, and management of information are central to the success of any national security strategy. The United States must use information more effectively in all aspects of policymaking and implementation, from planning to monitoring and evaluation.

Today government is poorly prepared for the information age. To excel it must share information wisely; manage information strategically; deploy information as soft power; and use information to promote adaptation and innovation, monitor performance, and facilitate action by other governments and nongovernmental actors.

**A. Making information accessible and sharing it appropriately**

Every day the government collects and produces an extraordinary amount of information -- from satellite images and intelligence assessments to diplomatic cables, homeland security communications, and military after-action reports. But no individual or institution in government is informed about all of this information, and no single entity
keeps track of or organizes it. As a result, much valuable information goes to waste, and, in some cases, such as 9/11, the failure to “connect the dots” results in the loss of American lives. Inadequate understanding of what government knows can also lead to much unnecessary duplication of effort.

These information shortcomings plague the executive branch and are even more evident in Congress, which is a vast vortex of data lacking a search engine. While Congress consumes and produces a great deal of policy analysis, there is too little sharing of knowledge across committees and insufficient synthesis of information. The many congressional committees dealing with national security typically conduct their work without making full use of each other's information and expertise, and only members and staff of the intelligence committees have access to a great deal of classified information. Information sharing between the executive and Congress is inadequate too. Rather than consulting Congress during foreign policy deliberations, the executive frequently just informs Congress of its decisions after the fact.

The United States needs information networks that make information available to those who need it when they need it. These networks should help establish and strengthen human networks of officials, who will be able to work together more closely and effectively if they have access to the same information. Breaking down walls that prevent the sharing of information is therefore critical. Security clearance procedures should be reformed and made more uniform throughout the government to enable greater sharing, while ensuring that classified information is appropriately protected.

These information networks are not difficult to create. But they require a fundamental change in bureaucratic mindset. The existing model for interagency collaboration is the interagency working group, created as needed to address specific problems and make policy decisions. Our approach assumes instead a standing need for networking among individuals working on the same problems from different perspectives or working on the same issues in different agencies. The first step toward facilitating this type of routine networking is to create interactive websites allowing the regular sharing of information asynchronously, without the need for a meeting but within a required time period. These websites can be made quickly and fully searchable, so that relevant information can be instantly collected by officials. When tasked to tackle a specific problem, by the White House or a designated lead agency, participants in the network could then use electronic means to report on their assignments, coordinate action, and link to other valuable sources of information, including foreign governments and international organizations.

Broader and more streamlined information networks will not just help policymakers understand better what the government knows. They will also enable administration and congressional officials to map out the key players in various areas of national security and to understand what capabilities the government and other actors possess. To promote greater collaboration, networks of executive branch officials in specific issue areas should consult regularly with functional networks of congressional committees involved in those issues. Such consultative networks would keep Congress in the loop and reduce the need for administration officials to testify before countless committees.
Transgovernmental networks provide another valuable mechanism for gathering and sharing information. Since the U.S. government does not have the capacity to monitor all developments overseas, it must rely on other governments for much information. To facilitate this information sharing, every U.S. agency should be connected to its international counterparts -- insofar as they exist -- just as it should be connected to other parts of the American government. Transgovernmental networks could then advance greater information sharing and the development of common standards across borders.

B. Managing information strategically

Collecting and sharing information is not enough, however. Throughout government, officials are frequently overwhelmed with huge amounts of information -- far more than they can possibly consume, let alone use. National security officials must use and manage information strategically so that it serves their needs rather than contributing to the tyranny of the inbox.

To get the most out of information, the United States needs proactive policymakers, sophisticated data mining technology, and highly skilled analysts and advisers. Policymakers must set priorities for the collection and dissemination of information so that their subordinates and counterparts in other agencies seek and pass along the type of information that they need. Data mining technology holds the promise of assisting this process by pulling out important information from the mountains of irrelevant data collected by agencies every day. Skilled analysts and advisers will remain essential, though, to ensure that the right information gets passed up the hierarchy and that information is placed in its proper context for decisionmakers. Government therefore requires personnel possessing the capacity not just to absorb information but to distill and analyze information from multiple sources and to share it across traditional bureaucratic barriers. Personnel systems must be designed to ensure that the national security workforce possesses the skills needed for this type of work, including technological know-how and scientific, cultural, and linguistic expertise.

C. Promoting responsiveness, adaptation and innovation

Governing effectively in the information age requires an ability to respond quickly, adapt flexibly, and innovate constantly. Networks must therefore do more than just disseminate information; they need to be action-oriented, using incoming information to react appropriately to new developments. Better still, they must serve as prevention networks, employing information to head off national security crises and conflicts before they occur. To respond quickly in these ways, government needs flexible funding mechanisms that provide adequate money for contingency operations and enable dollars to be moved quickly from one agency or program to another.

The United States must also use information to promote adaptation and innovation. Large bureaucracies tend, of course, to be resistant to dramatic change, but such change is sometimes necessary to enable government to keep up with or stay ahead of
developments in the private sector and the world at-large. Adaptation and innovation are particularly important for dealing with many transnational threats, such as terrorism and infectious diseases, which tend to evolve quickly themselves.

Some government institutions, such as the Defense Department, have long been leaders in technological innovation. They need to stay ahead of the technological curve, and other government agencies must do the same. But the key for fostering a responsive, adaptive, and innovative government resides in people more than technology. Government needs personnel who are capable of adapting to a changing environment and developing new approaches for dealing with tough national security challenges.

In fact, of course, institutions do not respond, adapt, or innovate; people do. But today government is not attracting enough of the best and the brightest. Too many Americans -- particularly young Americans -- think of government as overly bureaucratic and insufficiently challenging. Making federal workplaces more dynamic environments is a prerequisite for attracting high-quality personnel. Government managers must change the culture at federal agencies to foster more innovation and risk-taking. They can do this by providing more professional development opportunities -- so people can learn important new skills -- and by rewarding personnel that advance innovative ways of addressing important challenges.

The United States also needs to think hard about how to provide our best and brightest students with the right type of intellectual and skills-based training for government service. At a time when virtually every academic discipline is becoming more and more specialized, we hear a rising drumbeat of calls for generalists who can process multiple perspectives on an issue, see larger patterns, and build bridges across disciplines and bureaucracies. An information-based government will require public servants who can not only collect and process the information they need as rapidly as possible, but can also mine data in many specific areas to generate holistic solutions to security problems, or work with a team of specialists to do so.

D. Developing metrics for performance and success

Another valuable function of information is to inform metrics that measure the performance of government personnel and the success of national security policies. The Bush administration has developed new systems of performance-based pay in the Departments of Defense and Homeland Security and in the Millennium Challenge Corporation (MCC). The administration's management scorecard, which grades agencies on their performance, represents another step toward greater accountability for results. These efforts need to be expanded so that personnel throughout government are rewarded for doing good work or upholding prized organizational values, and are held accountable for performing poorly or undermining those values. Such incentives will make government perform better and will help attract talented personnel seeking a challenging work environment.
At the same time, the United States must develop better metrics for evaluating the success of national security policies. Government agencies typically devote great resources to the assessment of policy options before policy decisions are made, but they spend much less time conducting after-action reviews to determine how well adopted policies have worked. To assess the success of policies, government needs ways of quantifying goals and understanding when they have or have not been achieved. This is difficult for complex national security objectives such as reducing the threat of Islamist terrorism or promoting democratization, but it can be done. Indeed, the Millennium Challenge Corporation has already developed metrics for assessing complex policy issues in other countries, such as the promotion of free markets and adherence to the rule of law. The United States should apply the techniques used by the MCC and other policy evaluation specialists to measure the success of its own national security policies.

Congress should play a prominent role in establishing metrics too. The best approach might be for networks of executive and congressional officials to establish metrics jointly in a given issue area, with guidance from the intelligence community. Alternatively, the executive and Congress could develop separate metrics. Nongovernmental think tanks and universities could contribute additional standards for evaluating policies, providing multiple measures of success. These metrics should not just be used to score political points by highlighting successes or failures of administration policy. Instead, they should be funneled into feedback loops so that, in cases of failure, policies are modified and performance is improved.

Similarly, Congress, the executive, and outside experts should develop metrics to evaluate individual foreign policy programs. The Bush administration has introduced a bill, called the Government Reorganization and Program Performance Improvement Act, which would establish presidentially-appointed “results commissions” to review government programs and determine whether they should be restructured or consolidated. An alternative bill, introduced by congressional Republicans, would establish results commissions appointed by Congress. If results commissions are established, they must be bipartisan in character and must not become a tool used to slash programs disliked by a given administration or political party. But the general principle of regularly reviewing the effectiveness and organization of government programs is sound.

To fulfill its responsibility of monitoring government policies, Congress needs to strengthen its capacity to conduct rigorous oversight. Currently twelve House and three Senate subcommittees exist solely for the purposes of oversight and investigation, yet Congress has consistently failed to carry out sustained and systematic oversight of the implementation of national security policy. To conduct oversight effectively, Congress needs more nonpartisan and expert staff on national security committees; joint staff shared by multiple committees; and greater interaction between administration and congressional officials, which could be facilitated by increasing personnel rotations between executive agencies and congressional committees. Congress should also increase the resources and capacity of the General Accounting Office so that it can devote more attention to assessing the success or failure of government policies.
The formulation and implementation of national security policy requires the effective collection, sharing, analysis, and use of intelligence. Information must be collected from various sources, shared with appropriate agencies and officials, analyzed by experts, and used by policymakers to make decisions. But each of these key components of intelligence suffers from serious deficiencies today, despite the recent adoption of far-reaching reforms of the intelligence community (IC). The executive and Congress must provide the IC with more strategic direction and coordination; integrate it into the policy making process; and enable it to share information through a decentralized network, collaborate with other countries, and join up with experts outside government.

In the PPNS commissioned paper “Intelligence Reform: Progress, Remaining Deficiencies, and Next Steps,” Jordan Tama describes the challenges facing the intelligence community in each of these areas, drawing on the work of major commissions that have examined intelligence reform since 9/11. Tama notes that the establishment of the new position of Director of National Intelligence (DNI) holds the promise of providing greater strategic direction to the federal government's 15 intelligence agencies, but that it is too early to tell how much power the DNI will wield. To increase the integration and coordination of agencies, he recommends that the DNI develop IC-wide standards on issues including information sharing, the training of personnel, and security clearances. Such standards, combined with requirements for personnel rotations among agencies, could help channel the 15 different agency cultures into a shared culture of collaboration. The DNI must also ensure that the allocation of resources among agencies matches clearly established intelligence priorities.

To collect good intelligence on threats such as Islamist terrorism or nuclear proliferation, the IC must work cooperatively with foreign intelligence services. For decades the IC has maintained close bilateral intelligence relationships with a number of allies, which have provided the United States with much valuable information. It must expand on these bilateral relationships and develop more multilateral intelligence-sharing arrangements, while ensuring that sensitive information is appropriately protected. A model for such cooperation is a multinational center in Paris called Alliance Base. Established after 9/11 with the participation of the United States, France, Britain, Germany, Canada, and Australia, Alliance Base facilitates the sharing of information on Al Qaeda and the joint planning of covert operations against it. Joint intelligence work has proven to be very valuable: intelligence officials report that it accounts for most successful counterterrorism operations outside of Iraq and Afghanistan.

Collected intelligence is only valuable if it is accessible to decisionmakers who need it. While the government has come a long way in breaking down barriers to the sharing of intelligence, a “need to share” culture has not yet replaced a “need to
knowledge” culture in many agencies. Sharing is further hindered by variations among agencies in rules regarding classification of information and security clearances. To overcome these obstacles, the IC should develop a single, decentralized information network that connects the systems of all federal, state, and local agencies involved in intelligence. Classified information could be protected by establishing uniform standards for access to information in the network, enabling individuals with higher levels of security clearance to have access to more parts of the network. Creating this government-wide network would require close collaboration among federal, state, local officials, as well as strong leadership by the president and DNI to overcome the reluctance of agencies to give up control over information.

In addition to establishing joined-up government, the IC must form partnerships with individuals and research centers outside government to tap their expertise. One of the toughest intelligence tasks is the conduct of strategic analysis on critical issues such as the evolution of Islamist ideology, the future of China's political system, or the long-term impact of America's energy dependence on national security. To conduct this type of analysis well, the IC needs to reach out to scholars and experts from the private and nonprofit sectors because they sometimes have knowledge and insights that government analysts lack. Government should also make it easier for talented people to move in and out of jobs in the IC, so that it can attract more experts who would like to serve for a period of months or years, but not for their entire career.

Finally, the United States must integrate intelligence into the policymaking process, while ensuring that intelligence analysis is not politicized. Today the IC remains largely removed from the policy making process, feeding analysis to policymakers but otherwise remaining absent from national security decision making. Government could make better use of the IC by allowing intelligence judgments to have more influence over the shaping of policy. For instance, the NSC could ask the IC to assess the likely effect of policies being considered and to measure the success or failure of policies that have been adopted. The IC is well-suited to play a central role in the establishment of such metrics because of its tremendous analytical capabilities, but policymakers do not often ask it to do this type of work. In giving the IC a greater role in the policy making process, however, Congress and the executive must ensure that intelligence assessments are made independent of political pressure. The DNI must not become an advocate for administration policies and must give other intelligence officials and analysts autonomy to reach their own conclusions.

### E. Using information as soft power

The effective deployment of information is fundamental to the exercise of soft power -- the ability to get what you want through attraction rather than coercion or payments. Soft power is only part of the arsenal we need to promote national security, but we ignore it at our peril. To protect and promote its national security, the United States must exercise soft power as much as hard power.
Soft power is generated from the attractiveness of a country's culture, political ideals, and policies. It is the most powerful weapon the United States possesses to combat anti-Americanism. To increase its soft power, the United States must pursue policies that appeal to people overseas, such as supporting democracy and human rights, and providing foreign assistance to reduce poverty and disease. It needs as well to pursue policies that are widely viewed as legitimate. Adherence to international norms on issues including the environment, trade, and the use of force strengthens America's appeal.

The United States must also use public diplomacy -- a tool of soft power -- to project accurate information about its policies and American society. Matthew Moneyhon notes in the PPNS commissioned paper “Reinvigorating U.S. Public Diplomacy: A Review of Recent Studies,” that the goal of public diplomacy, according to a 1998 government definition, is “to understand, inform, and influence foreign publics in promotion of the U.S. national interest and to broaden dialogue between Americans and U.S. institutions and their counterparts abroad.” Today, public diplomacy is particularly important in the war for the hearts and minds of moderate Muslims in the Middle East and South Asia. To win this war, the United States will have to wield soft power much more skillfully, through the distribution of foreign aid, promotion of democracy and human rights, and conduct of public diplomacy. So far, the United States is failing to counter the spread of radical anti-Americanism, as the PPNS Anti-Americanism Working Group report illustrates.

Since 9/11, Congress and the executive have taken important steps toward improving public diplomacy, including increasing funding for it, forming new television and radio networks in the Middle East and South Asia, and establishing a new White House position of Deputy National Security Advisor for Strategic Communication and Global Outreach. But public diplomacy remains hamstrung by inadequate resources and a lack of government-wide strategic planning and coordination of it. The United States spends only $1.2 billion a year on public diplomacy -- about the same as Britain or France, though the United States is roughly 5 times larger than those countries. Additionally, current U.S. public diplomacy efforts tend to resemble public affairs operations -- focusing on short-term perception management rather than a long-term effort to influence foreign publics and increase understanding between foreigners and Americans.

The United States needs an institutional framework that projects more accurate information about American values and culture, and promotes more contact between American and foreign societies. Conveying accurate information about America and Americans is a good in itself, which is particularly valuable at a time when groups such as Al Qaeda are propagating hate-based and inaccurate information about us. All U.S. diplomats should have training in public diplomacy, which is most effective when officials engage in two-way dialogue with foreign counterparts and citizens, rather than just delivering speeches. American participation in such dialogues requires the government to hire and train far more fluent speakers of Arabic and other languages. To allow more foreigners to learn about American society and politics, the United States should also provide increased funding for libraries and information centers overseas and for the translation of important English-language books into foreign languages.
At the same time, the United States must develop a long-term strategy for cultural and educational exchanges, particularly in predominantly Muslim countries. The most effective spokespeople for the United States are not Americans but local people who understand America's virtues as well as its faults. High school student exchanges can be especially valuable because they influence both the students and their host families. By supporting such exchanges, the government enables foreign citizens to acquire and convey accurate information about American politics and society themselves.

F. Facilitating action by others

Finally, the United States needs to use information to facilitate action by other governments and nongovernmental actors. The U.S. government has neither the capacity nor the authority to take many actions abroad that are necessary to meet security challenges and tackle the domestic roots of global problems. Through networks the government can share information to empower foreign officials and NGOs to deal with problems themselves.

Networks -- with both foreign governments and NGOs -- can be particularly valuable in building domestic governance capacity in failed, weak, or transitional states. In many cases the most valuable resource we can provide is our own knowledge and expertise, as well as ongoing training and moral support. In Iraq and Afghanistan, for instance, networks of regulators, judges, legislators, and experts from the nonprofit sector can help to develop basic services, establish a just legal system, and inculcate officials with a commitment to professional norms of ethical conduct.

The starting point of these networks is to provide information on an ongoing basis that is necessary to enable local officials to do their jobs. Information alone, of course, is not enough to establish security on the ground, pay salaries, or assure competence. But with those other components in place, old-fashioned know-how, quickly collected and directed in response to specific requests, can go a long way.

II. Joined-Up Government

Key proposition: The United States needs far more interagency capacity to focus on crosscutting problems and work simultaneously with foreign counterparts. Joined-up government requires moving from an organizational framework centered on separate departments to a new model that emphasizes the need to connect different parts of government quickly and effectively by function.

The 9/11 Commission has called for “unity of effort;” the Silberman-Robb WMD Commission has emphasized the need for “integration;” the CSIS Beyond Goldwater-Nichols project refers to “jointness;” and we demand “joined-up government.” But the idea is the same: arrangements must be developed that integrate efforts within and among agencies, leading to better policymaking and implementation.
Meeting the threats of the 21st century will engage virtually all parts of government, not simply the federal agencies and congressional committees that have traditionally conducted and overseen “foreign affairs.” Ensuring that the entire government, including state and local agencies, is working on the same page is therefore a critical -- and enormous -- challenge. Meeting the challenge requires strong leadership by the president, better interagency coordination, more regular and systematic strategic planning, personnel policies that promote jointness, integrated mechanisms for monitoring and accountability, and the fusing of soft and hard power. Once the United States is joined up well at home, it will be more capable of collaborating effectively with foreign officials on all types of national security issues.

A. Improving interagency management and coordination

The effectiveness of the interagency process depends in large part on the people involved, especially the president and national security advisor. Their leadership is essential to make it work. But structure is important too. Currently the national security apparatus has an endless array of spokes but few hubs.

On many security issues, today's interagency process isn't pulling the pieces together effectively. Critical capabilities and responsibilities are fragmented across scores of agencies, with inadequate direction and coordination of the whole. Even in the White House, the work of the National Security Council (NSC), Homeland Security Council (HSC), and National Economic Council (NEC) is not as coordinated or integrated as it should be. Additionally, there remains inadequate homeland security cooperation among federal, state, and local agencies.

These deficiencies present increasing risks for the United States because of the proliferation of crosscutting issues demanding interagency collaboration and fast action. Traditional security concerns that fostered a “need to know” culture during the Cold War must now give way, for the most part, to the need to share and operate jointly. Above all, the federal government must evolve from a stovepiped organization grounded in executive departments acting separately into an integrated organization with a common mission and an ingrained commitment to collaboration.

The integration of economic and national security policymaking is a particularly important challenge. Issues such as the rise of China, energy dependence, sanctions, and technology transfers require the United States to consider economic and security perspectives together. Although ad hoc cooperation between the NSC and NEC is often effective, as the PPNS Economics and National Security Working Group points out in its report, there remains inadequate integration of security and economic goals. Such integration must take place not only in the White House, but also in the field, where bilateral and multilateral diplomacy requires both functional and regional expertise. For instance, U.S. negotiators must possess economic expertise and political knowledge of other countries in order to conduct trade talks successfully. In such arenas, the United States will be best served if the strengths and expertise of American diplomats and trade negotiators are merged. Economics and security also need to be coordinated in homeland
security planning -- for instance, to ensure economic recovery from an attack on a commercial port.

To bolster interagency cooperation, the government could either strengthen the White House's coordinating capacity or dual-hat officials from other agencies with White House coordinating roles. The Beyond Goldwater-Nichols Phase 2 report recommends concentrating more authority in the NSC -- for instance, by creating a new NSC senior director and office for complex contingency planning. With the alternative approach of dual-hatting, a department would serve as the lead agency, with one of its officials chairing a White House interagency coordinating committee. This approach is often preferable to concentrating authority in the White House because it allows for coordination while providing a more flexible coordinating mechanism, preventing the White House staff from becoming bloated, and keeping more power in the agency taking the lead in a certain area.

There are also multiple ways to integrate national security, economic, and homeland security policymaking. As Ivo Daalder has argued in a discussion paper, “Organizing the White House for International Policy” (included as Appendix D), the president could achieve this either by integrating the staffs of the three policy councils or by merging the three councils to create a single, expanded NSC that would be responsible for all international policy issues. Alternatively, the president could choose to preserve a separate economic council while integrating the national security and homeland security councils. This could help ensure that economic policymaking is not subordinated to national security policymaking in the White House. Whichever approach is chosen, the goal must be to join up national security policymaking and thereby ensure that security, economic, and other perspectives are adequately considered during policy formulation.

Effective interagency management must include a joined-up approach to government budgeting and the development of new capabilities. Typically agencies set their budgets to match their own priorities and often fight for control over new programs. Instead, the entire national security budget should be crafted through an interagency process that matches the allocation of resources to strategic priorities. When government recognizes the need for new capabilities or programs, agencies should work together, with NSC leadership, to create them.

Congress has a critical role to play in the development of a more coordinated and integrated national security policy. Today's Congress is failing to uphold its constitutional responsibility to share in the making of national security policy because of its disjointed committee structure, downgraded authorization process, and diminished international affairs expertise. Although scores of committees are involved in national security, Congress lacks an integrated infrastructure to guarantee that they communicate or work together on issues of common concern. The shifting of congressional power from authorization to appropriations committees over the past two decades has further weakened Congress' capacity to deal with national security issues effectively because those committees with the greatest international affairs expertise have declining influence.
over the shaping of policy. So long as Congress remains unable to join up its own national security infrastructure, it will be very difficult for the executive to do the same.

Congress' deficiencies in national security have persisted despite many sound reform recommendations from major commissions -- including the Hart-Rudman Commission, the 9/11 Commission, and the WMD Commission -- because various entrenched interests make the institution tremendously resistant to change. There are, however, some modest changes that Congress could make to join up its national security capacity. One useful step would be to create an ad hoc bipartisan committee that would coordinate the national security work of both houses. Coordination would be further advanced by the establishment of functional networks of congressional committees involved in national security, which could facilitate the sharing of both information and staff. These networks and shared staff could enable committees to achieve more with the same amount of resources through the holding of joint hearings and collaboration in the writing of legislation.

B. Bolstering strategic planning

National security policymaking suffers as well from inadequate strategic planning. Such planning does happen in some individual agencies -- particularly the Defense Department. But it only occurs infrequently and on an ad hoc basis in the White House, which is usually preoccupied with day-to-day concerns. This is a serious deficiency because without government-wide strategic planning, priorities cannot be set, resources cannot be allocated effectively, and policymakers cannot evaluate trade-offs among different policies or instruments. U.S. democracy promotion and reconstruction and development efforts reveal all of these problems: they are pursued in a non-strategic manner, with weak linkages between priorities and the allocation of resources.

To promote more strategic planning, Michèle Flournoy and Shawn Brimley have proposed in a PPNS commissioned paper, “Strategic Planning for U.S. National Security: A Project Solarium for the 21st Century,” that the NSC conduct a Quadrennial National Security Review (QNSR) comparable to the Quadrennial Defense Review conducted by the Pentagon. An alternative way to strengthen strategic planning would be to reform the current process of producing the National Security Strategy (NSS), so that the NSS would not just articulate broad national security goals, but would also provide guidelines on the development of capabilities, allocation of resources, and implementation of policy. This approach might be preferable to the establishment of a QNSR because it would not introduce a new reporting requirement and would mandate a major national security review more frequently than every four years. To provide more time for a comprehensive and rigorous strategic planning process as part of the NSS, the law mandating that the administration produce an NSS every year could be modified to require one every other year.

Congress should take part in the planning process by providing input and closely reviewing the NSS. Congress should also work with the executive to develop metrics to determine whether strategic plans are being implemented effectively and successfully.
The results of these assessments should then be fed back into the subsequent NSS process. To improve its capacity to perform these oversight functions, Congress should form a joint congressional committee to oversee the NSS and assess its implementation.

C. Integrating hard and soft power

Joined-up government in national security must integrate hard and soft power. From strategic planning to implementation, policymakers should evaluate all U.S. foreign policy actions based on their impact on both kinds of power. As the Center for American Progress national security staff argues in their report “Integrated Power: A National Security Strategy for the 21st Century,” such an approach would treat hard and soft power not as alternatives but as essential partners.

The United States won the Cold War with a strategy of containment that employed soft and hard power effectively. While the strength of the American military helped to deter Soviet aggression, U.S.-funded radio broadcasts and exchanges helped to foster sympathy for American aims and to undermine public support for communist regimes behind the Iron Curtain. Today, the United States needs a new strategy that fuses soft and hard power to meet the challenges of Jihadist terrorism and other security threats.

The national security strategy should explain how the United States intends to use hard and soft power together. The soft power components of the NSS should include not just public diplomacy but also development aid, environmental policy, and support for free trade, democracy, and human rights, all of which can generate soft power. Rather than considering these aspects of American foreign policy separately from traditional national security policy, the NSS should chart a path for employing them on behalf of security goals. Congressional and executive metrics used to evaluate the implementation of the NSS should include assessments of the integration and use of soft and hard power.

Maximizing soft and hard power requires that the United States devote as much attention to strengthening the civilian components of the national security infrastructure as it devotes to strengthening the military. This means providing more resources to reduce poverty, improve health, and protect the environment, as well as developing greater operational capacity outside of the Defense Department for stabilization, reconstruction, and development. To ensure that civilian and soft power components of national security policy receive adequate funding, some appropriations in areas including foreign assistance, exchanges, and support for civil society should receive multi-year rather than annual appropriations.

The integration of soft and hard power also requires that Congress and the executive filter national security policies through a soft power lens when formulating them. Today this does not happen enough. For instance, U.S. visa policies making it excessively difficult for talented foreign students to enter the United States have damaged America's image, doing more harm than good. America's soft power is greater when its policies are seen as legitimate, consultative, and inclusive of the interests of others.
Additionally, if U.S. policies do not match the values articulated in the rhetoric of American officials, the discrepancy will give rise to charges of hypocrisy that undercut U.S. soft power. Even the best advertising cannot sell an unpopular product. Moreover, while public diplomacy is often about selling policies, on some issues it is intrinsic to success. For instance, if most Iraqis believe that the United States is in Iraq to help establish stability and democracy, rather than to exploit Iraq's oil, America will have a greater chance of defeating the Iraqi insurgency. Congress could help promote the integration of public diplomacy into the exercise of American power by mandating that the executive issue an annual report assessing how public diplomacy has strengthened or weakened U.S. soft power.

Case Study: Promoting Democracy Effectively

From Woodrow Wilson's call to “make the world safe for democracy” to George W. Bush's goal of “ending tyranny in the world,” the promotion of democracy has been a central theme of U.S. foreign policy. Since 9/11, the Bush administration has elevated the importance of democratization in its national security strategy, arguing that the spread of freedom will reduce the threat of terrorism. Americans across the political spectrum support the goal of advancing democracy, though they disagree about the means to that end. The effective implementation of any democracy promotion agenda requires the government to coordinate actions across agencies; deploy information effectively; integrate hard and soft power; and tap the experience of its own legislators, NGOs, foreign officials, and international institutions.

In the PPNS commissioned paper “The Democracy Bureaucracy: The Infrastructure of American Democracy Promotion,” Thomas O. Melia catalogs the array of agencies, NGOs, and international institutions involved in democracy promotion, and considers how the United States can equip itself to perform better in this area. Melia emphasizes that American democracy promotion programs are diverse and dispersed, lacking strategic direction or a command and control center. Although the Bush administration has attempted to provide more strategic direction by creating a position of Deputy National Security Advisor for Global Democracy Strategy, coordination among and even within the State Department, USAID, and other bodies such as the National Endowment for Democracy (NED) remains inadequate.

Melia argues that the lack of strong central control over democracy promotion efforts is to some extent beneficial in allowing different organizations to pursue democracy promotion in complementary ways that are true to the pluralist character of democracy itself. But it is wasteful, he notes, for different U.S. agencies to fund similar or competing programs, as is often the case today. More strategic interagency coordination could reduce such waste and help ensure that spending and activity conforms to national security priorities. Since democratization is a long-term process rarely amenable to quick results, some democracy promotion efforts should receive multi-year funding. But other funding mechanisms should be flexible so that money can be reprogrammed as new needs arise and programs are evaluated. Establishing
joined-up government in this area also requires a workforce with training in
democratization. Currently U.S. diplomats are provided with hardly any grounding in
the field, but the ADVANCE Democracy Act -- a bill with bipartisan congressional
support -- would mandate it for foreign service officers.

Democracy promotion should be considered one of America's most valuable soft
power tools. Political values like democracy and human rights can be powerful
sources of attraction, particularly among people living in authoritarian societies. The
United States can wield this soft power tool by supporting democratization
movements; conducting public diplomacy that underscores the U.S. commitment to
democracy; and exposing foreigners to American democracy -- and other democratic
models -- through professional, cultural, and educational exchanges.

Additionally, democracy promotion efforts must be integrated with the rest of national
security policy. This can be difficult because democratization goals sometimes create
tensions or conflict with other national security objectives. For instance, if the United
States presses Arab allies such as Egypt, Jordan, and Saudi Arabia to move faster on
democratization, reforms in those countries could bring to power radical, anti-
American governments, at least in the short-term. Or, to take another example, the
promotion of democracy in Central Asian republics (or even outspokenness about
egregious human rights abuses in them) could induce leaders of those countries to
reduce military cooperation with the United States. America's national security
infrastructure must be capable of negotiating such potential trade-offs between
democracy promotion and other U.S. interests. This requires an interagency process
that takes into account the various interests at stake and the views of different
agencies, integrating hard and soft power.

The formulation and implementation of a democracy promotion agenda also requires
the involvement of American legislators and close cooperation with other
governments, nongovernmental organizations, and international institutions.
American legislators can play a useful role by overseeing the wide array of U.S.
democracy promoting agencies and programs, and by participating more actively in
existing global networks of elected representatives, which share experiences in the
workings of democracy. No one in the United States knows more about the practical
aspects of how public opinion and constituency interests intersect with policymaking
than senators and representatives. They have a unique role to play as mentors to their
peers in aspiring democracies abroad.

At the same time, the United States should work to strengthen democracy caucuses at
international institutions such as the United Nations and continue to assist NGOs that
perform important democracy promotion work, such as monitoring elections,
developing civil society, and training independent media. By leveraging the expertise
and capacity of its own representatives, NGOs, other governments, and international
bodies, the United States can make democracy promotion a multifaceted, global effort,
rather than a cause spearheaded by Washington.
D. Developing a national security workforce

Structural integration, better strategic planning, and the integration of hard and soft power must be supplemented with changes in personnel policies and incentives. Today most employees in national security agencies remain in their agencies for their entire government careers. Moreover, many employees have incentives to stay put because service in other agencies can make them less likely to receive promotions. These incentives foster cultures at many agencies that place greater importance on the missions and agendas of individual agencies than on the national security mission of the government as a whole.

To foster a more collaborative culture, the government should establish a National Security Career Path. As the Beyond Goldwater-Nichols Phase 2 report recommends, this career path should be modeled on the Joint Service Officer concept created by the Goldwater-Nichols Act, providing personnel with financial and promotion-related incentives to seek interagency experience, education, and training. The career path should be advertised to young people, especially undergraduates, to show them how they can have an interesting and challenging career in national security through a track other than the Foreign Service or service in the armed forces. Government should provide an additional incentive for interagency service by requiring all national security officials to have experience in more than one agency before advancing to a high-ranking position. By encouraging personnel to gain broader government experience, these incentives would help to break down cultural barriers that block collaboration and to facilitate greater networking across agencies.

Congress should similarly reform its own personnel policies to promote greater jointness and establish more nonpartisan national security expertise. The best way to do this would be to create joint nonpartisan national security staff positions, in which nonpartisan staff would serve on more than one committee at a time. For instance, some staff could serve on both the House international relations and armed services committees, while others could serve on the Senate intelligence and appropriations committees.

E. Linking to foreign officials and international institutions

Joining up government will enable U.S. officials to work more effectively with their counterparts abroad. Already, various agencies operate through transgovernmental networks to address a wide range of security challenges. But such networks are underappreciated, undersupported and underused. The United States must ensure that the government is organized to participate fully in transgovernmental networks and that networks exist in all areas where they can advance American security.

Today the United States is better networked abroad in some areas than in others. Networks of military officers and financial regulators are well-established, and the Proliferation Security Initiative represents an innovative and useful counterproliferation network. The United States needs, however, a stronger network infrastructure in areas including counterterrorism, homeland security, intelligence, justice, health, and
reconstruction and development. These networks would help to share information, build capacity, and develop common standards and practices.

Networks need a node in each country in order to work. But in some issue areas, we currently have multiple nodes. Who, for instance, is the American counterpart of foreign ministers of the interior: the Director of Homeland Security, FBI Director, or Attorney General? If the United States does not have a single node for law enforcement or homeland security issues, its cooperation with foreign governments will not be as effective as it should be. The government should identify or create a node for each issue related to national security.

Networks should include members of Congress and state and local legislators as well as executive branch officials. The experience and expertise of elected lawmakers can be particularly helpful in promoting democratization abroad by training the leaders of emerging democracies in the workings of representative governance.

Reorganizing government as a set of networks that connect to foreign governments will also make it easier for the United States to collaborate with intergovernmental institutions. In many issue areas, international institutions, such as the United Nations, can play a useful norm-setting, coordinating and legitimating role, while networks generate ideas based on field experience, share best practices, and implement policy on the ground. For instance, the World Health Organization can establish norms related to highly infectious diseases, while networks of health ministers cooperate to strengthen the capacity of governments to prevent disease outbreaks and limit their spread. In each issue area, the United States should work with other governments to establish an appropriate division of responsibility between intergovernmental institutions and the relevant network.

More generally, the United States must recognize that international institutions can serve as important national security tools. The United Nations -- the preeminent international institution -- deserves special attention. As the U.S. Institute of Peace Task Force on the United Nations argues in its report, “American Interests and UN Reform,” a strong and effective UN can be an important instrument for promoting international security, democratic political development, human rights, economic self-sufficiency, and the peaceful settlement of disputes. The United States should support UN reform to make the United Nations work better.

### III. Joined-Up Governance

**Key proposition:** *To meet today's security challenges, the United States must harness the capacity, expertise, and commitment of private businesses, think tanks, and NGOs. In forming new partnerships and managing existing partnerships with these actors, government must ensure that they are both effective and accountable.*

More and more of America's national security tasks, from the operation of high-technology weaponry and guarding of critical military installations to the collection of
intelligence and rebuilding of war-torn countries, are being outsourced to corporations and NGOs. This privatization trend has accelerated in Iraq, where one expert estimates that some 25,000 armed men and 50-70,000 unarmed civilians are working as contractors for the U.S. government.\(^1\) Outsourcing on this scale raises critical questions: What are its costs and benefits? How can government ensure accountability for outsourced activities? Are there tasks that only government should perform?

### A. The value of public-private partnerships

Public-private partnerships are necessary because government does not have enough capacity and expertise to meet many security challenges by itself. As the PPNS Relative Threat Assessment Working Group notes in its report, the knowledge and capabilities to understand and respond to many new threats reside predominately with private businesses and nongovernmental experts. Government has a particularly difficult time keeping up with advanced technology threats, such as computer viruses, but even the protection of industrial-age targets, such as chemical plants and the electric grid, requires engagement of private actors.

Corporations and nonprofit organizations also bring special advantages to the table. Many businesses operate more efficiently and with greater innovation than the public sector, while NGO personnel frequently have a deep commitment to the goals of their organizations that makes them particularly hard-working and effective. Joining up with nongovernmental actors through partnerships and outsourcing can enable government to tap that efficiency, innovation, and commitment. Moreover, many nongovernmental actors already participate in their own networks in their issue areas. Partnering with them can give government access to those networks, thereby extending its reach.

Given their critical contributions to national security, many private and nonprofit organizations should be considered part of the national security infrastructure. When combined with transgovernmental networks and international institutions, public-private partnerships can help establish systems of global governance that provide greater resilience against security threats, as noted by the PPNS State Security and Transnational Threats Working Group report.

### B. Ensuring effectiveness and accountability

Partnerships with private and nongovernmental actors raise a number of concerns, however, which were discussed in detail at an October 2004 Princeton Project conference on “The Privatization of National Security” (see conference report included as Appendix C). If partnerships are not carefully regulated and monitored, they can waste taxpayer dollars, harm America's image, and undermine U.S. national security. While outsourcing sometimes saves money, in the security arena the United States often pays contractors vastly greater fees than what government employees would earn for the same work. Moreover, private security companies are now drawing away many high-quality troops from the military by offering them much higher salaries than they can earn in the armed forces.

forces. This perverse effect of outsourcing can erode America's national security preparedness.

The nature of partnerships differs greatly from one issue area to another. In security they are typically with businesses, while in development they are often with NGOs. While the mission of most NGOs receiving government contracts is congruent with U.S. government aims, profit motives can lead corporations to act recklessly in ways that are contrary to American interests. In Iraq, for instance, there is little regulation of the behavior of private security firms, some of whom have allowed their employees to use force excessively and erratically, resulting in the deaths of countless innocent bystanders. Such behavior is particularly harmful to America's image because U.S. companies represent part of the face of America overseas. If, on the other hand, contractors comport themselves well, their activity can serve as a useful form of U.S. public diplomacy.

Government must therefore engage the private sector and NGOs to develop norms and standards that regulate their behavior in partnerships. Without such a collaborative effort, many contractors will act based on their own rules, which place the profit motive or other parochial interests above the national interest. In establishing guidelines for contracting, Congress and the executive should ensure that the public interest remains foremost when outsourcing occurs. Government should place particularly strict limits on outsourcing of military operations so that the use of deadly force by private security companies is tightly regulated.

Congress and the executive should also monitor contractors' work closely to ensure that they are operating effectively and appropriately. Today Congress' ability to conduct oversight is restricted by rules that allow the Departments of State and Defense to license many contracts without reporting them to Congress. Such rules should be changed to allow greater congressional and public scrutiny. On the most basic level, Congress should make sure that information about the scope of security contracting is publicly available. The public interest is not served when the public does not even know how many armed men are working as government contractors overseas, as is the case today.

Effective and accountable partnerships are particularly critical for homeland security. Many potential targets of terrorism are privately owned, and many businesses have their own intelligence operations, which can produce valuable security-related information. Government agencies must develop mechanisms for accessing relevant information from businesses while protecting the privacy of individuals. Additionally, government should ensure that businesses are taking the necessary precautions for preventing terrorist attacks on their facilities and for mitigating the consequences of any such attacks.

C. Linking networks to overseas partnerships

Joined-up governance requires not just partnerships between the U.S. government and nongovernmental actors; it also requires partnerships between foreign governments and private actors in their own countries. Such partnerships abroad can further expand the reach of America's national security infrastructure.
Indeed, in many issue areas, the United States needs more than just government-to-government networks; it also needs networks within other countries that extend beyond government. For instance, in health -- where the key is prevention -- the United States must rely on both foreign officials and private health professionals to indicate when an epidemic might be breaking out. U.S. security therefore depends on those officials and professionals being connected to each other. American health agencies, such as the National Institutes of Health and Centers for Disease Control, should be given more funding to promote the formation of such public-private health partnerships. More broadly, the United States should support the establishment of partnerships in other countries in all areas where they are needed to address important security challenges.

**Case Study: Building Stabilization, Reconstruction, and Development Capacity**

The U.S.-led military interventions in Afghanistan and Iraq have underscored the importance of possessing the capacity to stabilize, reconstruct, and develop war-torn or conflict-prone societies. In recent years, the United States has taken important steps toward developing greater capability in these areas, but serious deficiencies remain. Successful stabilization, reconstruction, and development missions require interagency planning and coordination; the integration of soft and hard power; operational civilian capacity; effective cooperation with foreign governments, international institutions, NGOs, and businesses; and performance metrics.

The PPNS Reconstruction and Development Working Group report makes a compelling case that strengthening U.S. reconstruction and development capacity is critical to American national security. The report argues for reorganizing the government to establish a more strategic and focused approach to reconstruction and development, facilitated by streamlined, long-term, and flexible funding mechanisms. Major-General (Ret.) Bill Nash and Ciara Knudsen provide a more detailed analysis of infrastructure needs in their PPNS commissioned paper “Reform and Innovation in Stabilization, Reconstruction, and Development,” which outlines the recommendations of recent panels on the subject and assesses Defense Department reform and the new State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS). Nash and Knudsen emphasize the importance of developing a civilian workforce for stabilization and reconstruction and of reforming the congressional appropriations process in these areas.

Improved interagency planning and coordination is particularly important because the Pentagon, State Department, and USAID all play important roles in stabilization, reconstruction, and development. The Bush administration recognized the need for better planning and coordination by establishing S/CRS in July 2004 with the mission of coordinating the formation and deployment of American civilian capacity for conflict prevention or post-conflict situations. S/CRS is struggling to obtain adequate funding, however, and it remains unclear whether it will have the political authority to coordinate the work of other agencies. Congress should fully fund the office and its plan for creating a standby reserve corps of well-trained civilians, ranging from city
planners and civil engineers to judges and prison wardens, who could be deployed abroad on relatively short notice. The administration should consider providing S/CRS with a dual NSC hat to strengthen its ability to influence other agencies.

An interagency approach is essential to ensure that government integrates hard and soft power and strikes the right balance between military and civilian capabilities. The Iraq war has demonstrated the dangers of relying too heavily on hard power and military tools, while giving inadequate attention to the civilian requirements of stabilization and reconstruction. Since the start of that war, the Pentagon has begun to recognize that stabilization and reconstruction must be central parts of the military's mission, but a large cultural gap remains between military and civilian personnel. The government should work to narrow that gap by developing well-trained civilian operational personnel, increasing personnel rotations among civilian and military agencies, and establishing more military-civilian joint planning and training. As Nash and Knudsen argue, the government must also incentivize interagency work. They note that the State Department has been struggling to find FSOs willing to serve on interagency reconstruction teams in Afghanistan, in part because the Department does not always reward interagency or operational assignments.

Even with smooth coordination across agencies and the development of civilian capabilities, the United States can rarely achieve success on its own. Transgovernmental networks are particularly important for promoting cooperation with other countries and building governance capacity in failed, weak, or transitional states. Networks can also facilitate the development of international capacity. A useful model of such networking is the G-8-spawned Global Peace Operations Initiative, which is establishing capabilities for peacekeeping in Africa. Networks should be supplemented by international institutions, which can help to coordinate the distribution of resources and thereby reduce redundancy and waste. The newly created UN Peacebuilding Commission should help guide and oversee international assistance to states at risk of war or making the transition out of conflict.

Partnerships with the private sector and NGOs are invaluable as well because government does not have enough in-house capacity to perform many reconstruction and development tasks. But today there is a lack of adequate contract oversight and transparency. Greater transparency and clearer standards for outsourcing could help to weed out unethical contractors and ensure that taxpayer money is well spent. The United States should also devote more attention to the leveraging of private charitable donations for reconstruction and development. The Reconstruction and Development Working Group report notes that, in the case of the Asian tsunami, American private contributions have thus far exceeded government aid to the stricken region.

It is especially critical for the United States to have performance metrics for stabilization, reconstruction, and development. These metrics should tell policymakers whether U.S. aid is helping the target country achieve goals that the United States and that country have set out. They should be applied to the work of contractors and international institutions as well as government agencies, with feedback loops enabling their results to influence subsequent policy and programs.
D. Recognizing the soft power value of nongovernmental actors

Joined-up governance can strengthen American soft power. Two of the most powerful ways the United States can wield soft power are to promote the development of civil society overseas and to facilitate contact between Americans and foreign societies. These efforts should be advanced by government in cooperation with corporations, foundations, universities, and other nonprofit organizations. Companies can provide technology to help modernize educational systems abroad. Universities can establish exchange and scholarship programs for students and faculty. Foundations can fund programs to increase the professionalism of journalists. And government can support the teaching of English, build institutions of American studies, and play a central role in facilitating contacts outside of government. To facilitate such contacts, U.S. embassies need more staff; today most embassy officers do not have time to interact much with local professional, cultural, or educational communities.

U.S.-based NGOs can be a particularly potent tool of soft power because they expose people overseas to the perspectives of Americans outside government, demonstrate the diversity of American opinions and experiences, and represent models of how citizens in a democratic society can seize the initiative to influence policy discussions. The effectiveness of NGOs often requires them to remain independent of government. Even when they criticize the direction of U.S. policy -- which they often do -- they serve the American interest in promoting debate about sensitive political topics in countries where public debate is typically closed. Moreover, the democracy promotion policies that have grown more prominent in U.S. foreign policy over the last quarter century would not be sustainable or nearly as effective absent the critical work of mission-driven NGOs.

E. Harnessing nongovernmental research capacity and expertise

The government would be well served by having more research partnerships on topics related to national security. An excellent model exists for such partnerships in the form of Federally Funded Research and Development Corporations (FFRDCs), such as RAND and the Center for Naval Research, which are outside the formal structure of government but have a mandate to serve government. With more flexible arrangements than the civil service, they are valuable means of promoting networking between government and the world of ideas. The United States should consider establishing new, small, and agile FFRDCs to serve specialized national security research needs.

Congress should also partner more with nongovernmental actors, particularly think tanks and universities, to increase its own capacity for policymaking, analysis, monitoring, and evaluation. By establishing partnerships with universities and think tanks, Congress can tap their expertise and bring fresh perspectives into its deliberations. These partnerships could take the form of personnel rotations between Congress and research institutions, funded in part by foundations. Such rotations would help establish lasting networks of congressional staff and outside experts that would supplement rotations and networks within government. Partnerships between government and research institutions would
also give government greater capacity to monitor the implementation of policy and evaluate the impact of policy.

F. Promoting personnel mobility

Joined-up governance requires as well that government make it easier for individuals to move in and out of government during the course of their career. Today, many people crave that type of mobility. Rather than serving in government for life, they would like to serve in stints of a few years at a time.

The government should give people greater mobility by providing more avenues for mid-career professionals to enter government, speeding up hiring and security clearance procedures, and simplifying financial disclosure requirements. Mid-career professionals with extensive experience outside government can often serve a valuable role by importing into government skills and management approaches learned in the private and nonprofit sectors, which can help government solve public problems. From this perspective, a “national security career” would not only include stints in different parts of the government, but also work at a think tank, an NGO working in the field on conflict prevention or post-conflict reconstruction, or a law firm or corporation dealing with defense issues.

At the same time, government should apply performance metrics to political appointees as well as to civil servants -- so that all personnel are regularly evaluated based on agreed standards. The United States should also limit inflation of the number of political appointees -- which already totals some 7000 -- to ensure that career civil servants have adequate and rewarding opportunities for professional advancement. If skilled and hard-working personnel within government cannot advance to senior policymaking positions, fewer talented Americans will enter government service.

Conclusion

The U.S. government has seen sweeping changes before: the establishment of an entire coterie of independent agencies after the Great Depression; the creation of the Pentagon and National Security Council after World War II; the formation of the Homeland Security Department after 9/11. These bursts of creation, however, typically followed national crises. Today the need for major reform and reorganization of the American national security infrastructure is evident, but, seemingly, not urgent. The existing structures are not working very well, but are not failing badly enough to create the political will and impetus necessary for major change.

Yet, just as in previous eras, America is facing new threats with a government geared to old ones. Of greatest importance is the need to adapt national security institutions and personnel to the information age, by organizing government for collecting, processing, and using information in real time either in Washington or in the field. Such a shift requires more than changing the org charts. It requires a major change in mind-set -- an understanding of organization that is horizontal rather than vertical, flexible rather than
fixed, and virtual rather than physical. Second, and relatedly, is the need to join up parts of government in ways that will allow them to connect the different pieces of the solution to any problem. Third, and finally, is the need to reach beyond government to non-governmental actors in both the private and nonprofit sectors to harness their expertise, energy, and ability, while maintaining political accountability.

The threats of the 21st century, from nuclear terrorism to a global pandemic, risk extinguishing hundreds of thousands and even millions of lives almost instantly. They will have global causes and global consequences. They must be countered as holistically as possible within governments, between them, and beyond them. The United States needs a national security infrastructure customized to fit this new world, before the next crisis.
APPENDIX A

Working Group Participant Biographies

Ivo H. Daalder is a Senior Fellow in Foreign Policy Studies at the Brookings Institution, where he also holds the Sydney Stein Jr. Chair in International Security. He is a frequent commentator on international affairs and his writings have appeared in numerous journals and the opinion pages of leading American and European newspapers. A specialist in American foreign policy, European security, and national security affairs, Daalder has authored ten books, including most recently the award-winning America Unbound: The Bush Revolution in Foreign Policy (with James M. Lindsay). His other recent books include Protecting the American Homeland (2002); Winning Ugly: NATO's War to Save Kosovo (2000); Getting to Dayton: The Making of America's Bosnia Policy (2000); and The United States and Europe in the Global Arena (1999). Prior to joining Brookings, Daalder was associate professor at the University of Maryland's School of Public Affairs, where he was also director of research at the Center for International and Security Studies. In 1995-6 he served as Director for European Affairs on President Clinton's National Security Council staff, where he was responsible for coordinating U.S. policy toward Bosnia.

Mickey Edwards is a lecturer in public and international affairs at Princeton University's Woodrow Wilson School and the director of the Aspen Institute's Rodel Fellowship Program in Public Leadership. Prior to moving to Princeton, Edwards taught at Harvard's Kennedy School of Government for 11 years. He has also held appointments as a visiting faculty member at Georgetown University and at the Harvard Law School. Edwards was a member of Congress for 16 years, serving as a member of the House Budget and Appropriations committees, as a member of the House Republican leadership (chairman of the policy committee), and as the ranking Republican member of the House Subcommittee on Foreign Operations. He has also been a regular weekly columnist for the Los Angeles Times, Chicago Tribune, and Boston Globe, and broadcast a weekly public affairs commentary on National Public Radio's “All Things Considered.” He has served as chair or co-chair of task forces on foreign assistance, judicial independence, the constitutional amendment process, and the war power.

Michèle A. Flournoy is senior adviser in the CSIS International Security Program, where she works on a broad range of defense policy and international security issues. Previously, she was a distinguished research professor at the Institute for National Strategic Studies at the National Defense University (NDU), where she founded and led the university's Quadrennial Defense Review (QDR) working group, which was chartered by the chairman of the Joint Chiefs of Staff to develop intellectual capital in preparation for the Department of Defense's 2001 QDR. Prior to joining NDU, she was dual-hatted as principal deputy assistant secretary of defense for strategy and threat reduction and deputy assistant secretary of defense for strategy. In that capacity, she oversaw three policy offices in the Office of the Secretary of Defense: Strategy; Requirements, Plans, and Counterproliferation; and Russia, Ukraine, and Eurasian Affairs. She was awarded the Secretary of Defense Medal for Outstanding Public Service in 1996 and the
Department of Defense Medal for Distinguished Public Service in 1998. In addition to 2 edited volumes, Flournoy has published more than 50 articles on a variety of international security issues. She is a member of the Aspen Strategy Group, the International Institute of Strategic Studies, and the Executive Board of Women in International Security. She is a former member of the Defense Policy Board and the Defense Science Board Task Force on Transformation.

Richard N. Haass is President of the Council on Foreign Relations, an independent, national membership organization and a nonpartisan center for scholars dedicated to increasing understanding of the world and the foreign policy choices facing the United States and other governments. Until June 2003, he was Director of Policy Planning for the Department of State, where he was a principal advisor to Secretary of State Colin Powell on a broad range of foreign policy concerns. Confirmed by the U.S. Senate to hold the rank of ambassador, Haass served as U.S. Coordinator for policy toward the future of Afghanistan and was the lead U.S. official in support of the Northern Ireland peace process. Previously, Haass was Vice President and Director of Foreign Policy Studies at The Brookings Institution. He was also Special Assistant to President George Bush and Senior Director for Near East and South Asian Affairs on the staff of the National Security Council from 1989-1993. Haass is the author or editor of nine books on American foreign policy. A Rhodes Scholar, he holds a B.A. from Oberlin College and both the Master and Doctor of Philosophy degrees from Oxford University.

John Hewko is the Vice-President for Country Relations at the Millennium Challenge Corporation, where he is responsible for managing MCC’s relationship with eligible countries, including proposal development, proposal due diligence, Compact negotiation and Compact implementation. Prior to joining MCC, Hewko was an international partner with the law firm Baker & McKenzie specializing in international corporate transactions in emerging markets. From 1990 to 2001 he worked in several of the firm’s offices in Central and Eastern Europe. Prior to joining Baker & McKenzie he worked in Buenos Aires and Sao Paulo for leading Argentine and Brazilian law firms and then with Gibson, Dunn & Crutcher in Washington and New York handling South American and project finance transactions. From 1991-1992 Hewko was the Executive Secretary to the International Advisory Council to the Ukrainian Parliament. In this position he advised various Ukrainian parliamentary commissions in drafting the initial Ukrainian laws on foreign investment, anti-competition and corporations. Hewko received his A.B. from Hamilton College, M.Litt. from Oxford University (St. Antony's College), where he studied as a Marshall Scholar, and law degree from Harvard University. In 2001-2002 Hewko was a Visiting Scholar at the Carnegie Endowment for International Peace and is an Adjunct Professor at Georgetown University Law Center.

Edmund J. Hull has been named by Princeton University as the first Diplomat-in-Residence of the Woodrow Wilson School of Public and International Affairs. A career foreign service officer, Hull served as U.S. ambassador to Yemen from September 2001 to July 2004, during the post-9/11 surge in U.S.-Yemeni counterterrorism cooperation and U.S. security and development assistance to Yemen. Hull’s tenure was noteworthy for the elimination of the Al Qa’ida’s first- and second-tier leadership in Yemen and
significant enhancement of Yemen’s security, democracy and human rights. Previously, he served as the State Department's Deputy Coordinator for Counterterrorism from 1999-2001, and as the Department's Director for Peacekeeping and Humanitarian Affairs from 1997-1999. In addition to State Department assignments in Egypt, Tunisia, Jerusalem, and at the Department's Algeria desk in Washington, D.C., Hull also served as the Director for Near Eastern Affairs on the National Security Council, where he was the NSC representative on shuttles made by then-Secretary of State James Baker '52, which led to the Madrid conference. Hull has received the State Department's Meritorious and two Superior Honor Awards. In 1995 he received the Baker-Wilkins Award, the highest State Department award for management of an overseas mission, and the Secretary of State's Award for Distinguished Service in 2004. In 2001 he was the recipient of the Central Intelligence Agency's George H.W. Bush Award for Counterterrorism. Hull graduated with honors from Princeton's Woodrow Wilson School in 1971, and spent a sabbatical year at Oxford University in 1986-87 studying strategic issues with Sir Michael Howard, the noted war historian. Hull speaks Arabic and French fluently.

Lorelei Kelly is Senior Associate at the Henry L. Stimson Center and Special Projects Fellow in the office of Congresswoman Lynn Woolsey of California. She came to Washington, D.C. in 1997 from Stanford University's Center on Conflict and Negotiation, and in 1998 founded “Security for a New Century,” a bipartisan study group on Capitol Hill which covers a broadly defined concept of security -- from peacekeeping to terrorism, cyberthreats to nuclear non-proliferation. Kelly recently co-authored Policy Matters: Educating Congress on Peace and Security, a nuts-and-bolts guide to the inner workings of Congress. Drawing on her expertise in the security field and experience as an aide on Capitol Hill working with Democratic and Republican members alike, this book arms engaged citizens with the insights and strategies they need to help put long-term, balanced solutions to the nation’s most pressing foreign policy and international security challenges on the radar screens of their elected leaders in Congress. During 1988-89, Kelly was a Thomas J. Watson Fellow studying women’s involvement in arms control and disarmament in Europe, and while in Berlin she worked with underground democracy movements in Eastern Europe. She is a trained mediator and has also taught peace studies at Stanford University. Kelly has a BA from Grinnell College and MA from Stanford University.

Anja Manuel is an attorney at Wilmer Cutler Pickering Hale and Dorr LLP, focusing on international litigation and arbitration. She recently helped represent leading German companies in successful international negotiations and litigation relating to claims arising out of World War II and the Nazi era. In addition, she has helped to represent Senators McCain, Feingold and others in defending the constitutionality of the Bipartisan Campaign Reform Act in the U.S. Supreme Court. Manuel is a Term Member of the Council on Foreign Relations. She also has served as adjunct teaching staff at the Georgetown School of Foreign Service. Her published articles include: “A New Model Afghan Army,” co-authored with P.W. Singer, Foreign Affairs, July/August 2002; “Military Mergers: The Reintegration of Armed Forces after Civil Wars,” Fletcher Forum of World Affairs, Summer 2001; and “An International Rapid Deployment Police

**Jeffrey Miotke** is a Foreign Service Officer currently serving as the Chief of Staff for the Under Secretary for Democracy and Global Affairs, Paula J. Dobriansky. He served overseas as the Deputy Chief of Mission in Lesotho, Economic Counselor in Hungary, Economics Officer in Guatemala and Consular Officer in the Dominican Republic. As the Director of the Office of Global Change, Miotke was a senior negotiator on climate change. He has also been the Deputy Director of the Office for Development Finance in the State Department and helped conduct international fisheries negotiations. He has received five Superior and three Meritorious Honor Awards as well as the Frank Loy Award for Environmental Diplomacy. Prior to joining the Foreign Service in 1986, Miotke managed overseas users’ groups for Hewlett-Packard, edited biostatistical reports for Syntex Labs, served as a management consultant for SRI, and taught math and science as a Peace Corps Volunteer in Swaziland. He has a Bachelor’s degree in Biology from Dartmouth College, a Masters in Public Policy from the Goldman School at the University of California in Berkeley, and a Masters in International Policy Studies from Stanford California. He speaks Spanish and Hungarian.

**Joseph S. Nye, Jr.** is the Sultan of Oman Professor of International Relations and University Distinguished Service Professor at the John F. Kennedy School of Government at Harvard University. He is also a former dean of the Kennedy School. He returned to Harvard in December of 1995 after serving as Assistant Secretary of Defense for International Security Affairs, where he won two Distinguished Service medals, and as Chair of the National Intelligence Council. Nye joined the Harvard faculty in 1964, where he has served as Director of the Center for International Affairs and Associate Dean of Arts and Sciences. From 1977-79, Nye was Deputy to the Undersecretary of State for Security Assistance, Science, and Technology and chaired the National Security Council Group on Nonproliferation of Nuclear Weapons. A member of the editorial boards of *Foreign Policy* and *International Security*, he is the author of numerous books and more than 100 articles in professional and policy journals. His recent books include *Soft Power: The Means to Success in World Politics* (2004), and an anthology, *Power in the Global Information Age* (2004). Nye received his bachelor’s degree summa cum laude from Princeton University in 1958. He did postgraduate work at Oxford University on a Rhodes Scholarship and earned a Ph.D. in political science from Harvard.

**Stewart Patrick** is a Research Fellow at the Center for Global Development, where he directs the Project on Weak States and U.S. National Security. He also focuses more broadly on the intersection between security and development. From September 2002 to January 2005 he was a member of the Secretary of State’s Policy Planning Staff, where he helped formulate U.S. policy on Afghanistan as well as a range of global and transnational challenges, including weak and failing states, humanitarian crises, organized crime, global health and sustainable development. During 2004 he helped to create the new State Department Office of the Coordinator for Reconstruction and Stabilization. Patrick joined the Policy Planning Staff as an International Affairs Fellow of the Council on Foreign Relations. Previously, he was a research associate at the
Anne-Marie Slaughter is Dean of the Woodrow Wilson School of Public and International Affairs and Bert G. Kerstetter ’66 University Professor of Politics and International Affairs at Princeton University. She previously served as president of the American Society of International Law. Prior to becoming dean, she was the J. Sinclair Armstrong Professor of International, Foreign and Comparative Law and director of graduate and international legal studies at Harvard Law School. She is a fellow of the American Academy of Arts and Sciences and a member of the Board of the Council on Foreign Relations. Dean Slaughter writes and lectures widely on international law and foreign policy issues. She has written over fifty articles and edited or written four books, on subjects such as the effectiveness of international courts and tribunals, the legal dimensions of the war on terrorism, building global democracy, international law and international relations theory, and compliance with international rules. Her article “The Real New World Order,” originally published in the 75th anniversary issue of Foreign Affairs, is now widely taught in colleges and universities. Her book on that same subject—global governance through networks of national government officials—was recently published by Princeton University Press.

Allison Stanger is Professor of Political Science and Director of the Rohatyn Center for International Affairs at Middlebury College. She is the co-editor and co-translator (with Michael Kraus) of Irreconcilable Differences? Explaining Czechoslovakia’s Dissolution (2000; foreword by Václav Havel). Her articles and essays have appeared in such publications as Democratization, East European Constitutional Review, Oxford International Review, New England Review, Literární Noviny (Prague), Lateral (Barcelona), and in numerous edited volumes. She has been a research fellow at the Center for Economic Research and Graduate Education (Prague), the Institute for the Study of the USA and Canada (Moscow), the Brookings Institution, and Harvard’s Center for Science and International Affairs and Minda de Gunzburg Center for European Studies. She is a member of the Council on Foreign Relations. Stanger’s current research examines the costs and benefits of outsourcing American foreign policy. A second project deploys computer simulation to probe the dynamics of complex adaptive processes such as international cooperation.

Max Stier is the President and CEO of the Partnership for Public Service. He has worked previously in all three branches of the federal government. In 1982, he served on the personal staff of Congressman Jim Leach. Stier clerked for Chief Judge James Oakes of the United States Court of Appeals for the Second Circuit in 1992 and clerked for Justice David Souter of the United States Supreme Court in 1994. Between these two positions, Stier served as Special Litigation Counsel to Assistant Attorney General Anne Bingaman at the Department of Justice. In 1995, Stier joined the law firm of Williams &
Connolly where he practiced primarily in the area of white collar defense. Stier comes most recently from the Department of Housing and Urban Development, having served as the Deputy General Counsel for Litigation. Stier is also an adjunct professor of law at Georgetown University and is a graduate of Yale College and Stanford Law School.


**Amy Zegart** is an Associate Professor at the UCLA School of Public Affairs, where she teaches courses in American foreign policy and public management. In 2003, she won the Public Policy Department’s Professor of the Year Award for excellence in teaching. Zegart’s research focuses on the design problems of American national security agencies. She received a Ph.D. in Political Science from Stanford University, where she studied under Secretary of State Condoleezza Rice. Her first book, *Flawed By Design: The Evolution of the CIA, JCS and NSC* (Stanford University Press, 1999), won the highest national dissertation award in Political Science and has become standard reading for several U.S. military and intelligence training programs. She is currently writing a book (with Princeton University Press) about why the U.S. Intelligence Community adapted poorly to the rise of terrorism after the Cold War. Featured by *The National Journal* as one of the top ten experts in intelligence reform, Zegart has testified before the Senate Intelligence Committee, served on the Clinton Administration’s National Security Council staff in 1993 and as a foreign policy advisor to the Bush-Cheney 2000 presidential campaign. She also spent three years at McKinsey & Company, where she worked with *Fortune 100* clients and major foundations on organizational effectiveness and strategy. In 2002 she launched a think tank with former Los Angeles Mayor Richard Riordan dedicated to helping local leaders with homeland security challenges.
APPENDIX B

Other Proposals Endorsed by the Working Group Co-Chairs

This appendix lists, by topic, proposals by other bodies endorsed by the working group co-chairs, though not necessarily by the group as a whole. It only includes proposals that have not already been adopted or implemented by government.

1. Government for the information age

The 9/11 Commission report recommends declassifying the overall amounts of money appropriated to national intelligence agencies, as a means to reduce government secrecy and educate the public about intelligence.

2. Interagency management, coordination and strategic planning


- Creating a classified National Security Planning Guidance every two years, which would lay out detailed government plans for implementing national security strategy and developing new capabilities.

- Increasing joint NSC/OMB budget management to ensure that agency budgets reflect national security priorities.

- Transforming the National Defense University into a National Security University that would educate and train personnel from various national security agencies.


3. Congress

The Hart/Rudman Commission Phase 3 report, “Road Map for National Security: Imperative for Change,” proposes a comprehensive review of the congressional committee structure. It recommends:

- Merging appropriations subcommittees with their respective authorizing committees so that the new merged committees authorize and appropriate within the same bill, as a means of decreasing the redundancy of the budget process and allowing more time to be devoted to oversight of national security policy.
• Forming a permanent consultative group composed of the congressional leadership and chairs and ranking members of the main committees involved in national security. This group would be a forum for national security consultation between the executive and Congress.

• Creating programs to encourage members of Congress to acquire knowledge and experience in national security, including ongoing education, greater opportunities for serious overseas travel, and more legislature-to-legislature exchanges.

The 9/11 Commission report also recommends congressional changes. It proposes:

• Establishing either a single joint House-Senate intelligence committee or separate intelligence committees in each chamber that combine authorization and appropriation power.

• Creating subcommittees of the intelligence committee(s) dedicated to oversight and freed from work on the budget.

4. Personnel


• Speeding and streamlining the presidential appointments process.

• Granting an immediate and significant increase in judicial, executive, and legislative salaries to ensure a reasonable comparison to compensation for professional work outside government.

• Giving agency managers the authority to develop more flexible management and personnel systems appropriate to their missions.


The 9/11 Commission report proposes giving a single federal agency responsibility for providing and maintaining security clearances and insuring uniform standards for them, including uniform security questionnaires and financial disclosure requirements.

The Hart/Rudman Commission Phase 3 report recommends expanding the 1991 National Security Education Act to include broad government support, including college scholarship and loan forgiveness benefits, for study in the social sciences, humanities, and foreign languages, in exchange for civilian government and military service.
5. Soft power

The establishment of a Corporation for Public Diplomacy (CPD) has been proposed by a June 2003 Council on Foreign Relations task force report, “Finding America's Voice: A Strategy for Reinvigorating U.S. Public Diplomacy;” and by an October 2003 report of the Advisory Group on Public Diplomacy for the Arab and Muslim World, “Changing Minds, Winning Peace: A New Strategic Direction for U.S. Public Diplomacy in the Arab and Muslim World.” The purpose of a CPD would be to provide a way for government to help finance civil society activities abroad through an indirect mechanism that would make its funding less clearly tied to the U.S. government, with a nonpartisan board serving as a buffer. It could receive money from the private sector and enable greater involvement of media and individuals unlikely to work directly with government agencies.


The Center for American Progress report, “Integrated Power,” recommends that the United States rewrite the 1961 Foreign Assistance Act so that it reflects the realities of the 21st-century.

6. Contracting/outsourcing

The National Commission on the Public Service report, “Urgent Business for America,” recommends that competitive outsourcing follow clear preset standards and goals that advance the public interest and do not undermine core competencies of the government.
APPENDIX C

PPNS Conference Report

The Rohatyn Center for International Affairs,
Middlebury College
October 9, 2004

Jobs once performed by the United States military are increasingly contracted out to private firms, a trend with broad implications for U.S. national security. That was the message to emerge from The Privatization of American National Security, a Princeton Project on National Security conference co-sponsored by the Rohatyn Center for International Affairs at Middlebury College and the Woodrow Wilson School of Public and International Affairs at Princeton University.

Bringing together a distinguished group of academics and practitioners, the conference attempted to shed light on this emerging national security issue. Several themes emerged.

First, although military privatization is not new—mercenaries have existed as long as war itself—privatized security services are an important and growing component of U.S. national security capacity. Private contractors now provide a range of logistics, training and security services, and are typically more experienced and more readily available than traditional military forces. Increasing emphasis on administrative efficiency as well as a growing number of failed states, post-conflict reconstruction projects, and other sub-state security missions are among the key drivers of demand for outsourced services. While participants differed over the desirability of this trend, all agreed that privatization is here to stay.

Second, the conference helped parse the problem by drawing distinctions between combat operations, reconstruction efforts, and stabilization operations, which fall somewhere in between the first two. Less consensus formed around the proper role of private contractors within each category. Most participants agreed that combat was—and should remain—the sole province of the military, and that private actors, both for-profit and non-profit, play a vital role in reconstruction. However, there was disagreement regarding the military’s role in reconstruction, and no consensus as to the optimal mix of military and private actors in stabilization operations.

Third, participants emphasized the need for greater collaboration between the public and private sectors in order to improve effectiveness and create synergies. Participants noted that in some instances outsourcing has amounted to “bidding against ourselves,” exacerbating existing recruiting and retention problems in the armed services. Others cited a fundamental lack of monitoring and oversight to protect against possible abuses by the industry. A broad range of participants recommended that governments work with the industry and other concerned organizations to develop sensible standards for the field.
More generally, multisectoral collaboration requires that professionals in the public, non-profit, and for-profit sectors understand one another’s organizational cultures and norms.

Fourth, the participants agreed that the private security industry requires regulation. Insufficient oversight combined with uncertain legal status gives rise to serious accountability issues, which present risks for both governments and the individual contractors themselves. Moreover, the industry sees regulation as a way to legitimize themselves vis-à-vis an often skeptical public.

Last, many participants argued that military privatization challenges traditional conceptions of the relationship between the state and the individual, particularly the notion that only states may use force legitimately. While the participants arrived at few conclusions on these theoretical questions, all agreed that such issues—and the other problems discussed throughout the course of the conference—laid the groundwork for a rich research agenda.

Session I Summary

Following a welcome from Allison Stanger, director of the Rohatyn Center at Middlebury College, the opening session of the conference described some of the drivers of the trends in the privatization of American national security.

Allison Stanger pointed to two historical drivers of the rising demand for the private outsourcing of security services: (1) the increasing sophistication of weapons platforms maintenance requirements; and (2) state collapse following the exhaustion of Cold War superpower rivalry and proxy warfare, and the need to fill certain sub-state security missions in those zones. In addition, there are three ideological drivers: (1) administrative efficiency has become an American political mantra; (2) American foreign policy relies increasingly on military instruments over traditional diplomacy; and (3) private security contracting is an insurance policy for the pursuit of difficult or controversial national security objectives.

Stanger noted “the extent to which the costs and benefits are in the eye of the beholder.” While foreign policy objectives of the Executive Branch can more readily be engineered, this is a function not overseen in any structured way by Congress, and not significantly monitored on an ongoing basis by the Pentagon. Nor is there clear data that privatization reduces Defense Department budgetary requirements, given the oligopolistic environment and the indeterminate and subjective “cost plus” nature of many contract provisions. Private contracting also substantially raises risks of foreign outrage, because of abuses that may be committed by exported private security forces whose legal accountability is blurry at best.

Peter Singer distinguished between “military support firms,” the logisticians and Halliburtons, “military consultant firms,” the trainers and advisors, and “military provider firms,” the warfighters. In Iraq, up to 80 firms and more than 20,000 military contractors are operating. The contractors have become a larger share of the fighting force than any
other coalition member, and are currently the size of an Army division. Halliburton’s total contracting dollars in Iraq to date – $13 billion – is alone equivalent to the total cost (in current dollars) to the US Treasury of fighting the American Revolution, the War of 1812, the Mexican-American War, and the Spanish-American War.

Functionally, security contractors train and equip Iraqi forces, and they provide installation security, convoy escort, and bodyguards. But they also provide a host of other unregulated activities that have cumulatively left a moral stain on the American operation in Iraq, from Halliburton’s war profiteering, to torture at the Abu Ghraib prison, where 100 percent of the interpreters and 50 percent of the interrogators were contractors hired by Titan and CACI.

Three oversight dilemmas have arisen: overbidding, suspension of combat zone operations, and individual desertion of vital functions. In addition, contractors do not figure into the public’s or media’s understanding of the military and civilian casualty rates in Iraq’s campaigns, and this runs risks in conjunction with the legal slipperiness of contractor status. For instance, Singer notes, no contractor implicated in Abu Ghraib has even been charged as of October 2004, let alone prosecuted or punished. Finally, contracting causes enormous recruiting and retention problems among specialized units of the uniformed armed forces.

Singer argued that four regulatory changes are overdue: (1) proper accounting and monitoring at the Pentagon; (2) statutory limits on the roles contractors may play – whereas now “the Pentagon has strict doctrine that prohibits contractors in certain roles and yet puts them in those roles;” (3) real budgetary impact studies of the terms of contracts; and (4) stronger legal instruments for abuses and malfeasance. Meanwhile, strong political lobbying and even occasional threats against those investigating the contractor field continue, making policy dialogue difficult.

General Ed Soyster described the history of MPRI since its entry into contracting in 1992, initially as a training and readiness contractor for the US Army, and later as a platform for multinational deployments of military instructors, consultants, and advisors. MPRI’s first major contract overseas was to train the Croatian Army in civil-military relations, but its impact was to allow the Croatian Army to take the Serb-held Krajina during the Yugoslav wars. Thereafter, MPRI was contracted to build the Bosnian Muslim army, and to train the Macedonian, Bulgarian, and Nigerian armies. Other contracts in Angola and Equatorial Guinea fell through because of peace process or human rights conditionality. More recently, MPRI fielded Reserve Officer Training Corps (ROTC) trainers at 217 universities, and set up the forward training base in Kuwait for newly deploying ground forces. As a driver of privatization trends, Soyster suggests that the upper-rank officer-grade contracting the MPRI can the Department of Defense (DOD) overseas is something that DOD cannot afford to do through the armed forces themselves. An overstretched Army cannot afford to deploy assets like this for overseas train-and-equip functions without seriously undermining the strength of brigade-level command structures in active units.
As discussant, Peter Feaver pointed to loyalty under fire and restraint as the two moral hazards of contracting that seemed to be of greatest concern. This is the case because there are fewer “institutional” dimensions of civil-military control in private contracting, such as appeals to bravery, group loyalty, patriotism, or unit cohesion. The good news is that a legal regime over contractors should work just as well, if not better, than over uniformed militaries, provided the ambiguities in monitoring and defining standards of conduct in the current Uniform Code of Military Justice (UCMJ) and Geneva conventions can be corrected. Feaver contended that those compliance problems we will face are only “problems that are basic to the political control of force, and are not necessarily unique to privatization.”

In Q&A, Anne-Marie Slaughter noted the that security contracting presents challenges similar to those the government is experiencing across all sectors, namely the recruitment and retention of expert personnel at below-market salaries, under conditions where career responsibilities are becoming increasingly difficult to navigate and enjoy. Soyster suggested that it is an impossible leap to ask a high-level expert to do without the salary advantages of the private sector and that, instead, an in-and-out route could be lived with. Initial recruitment is harder still. Singer responded that family and retirement benefits are key, as well as not overtaxing the armed forces’ operational tempo. Still, we’re “bidding against ourselves,” allowing recruiting firms to hire government workers away from government service, and then bid on contracts at the same bases, filling the same posts that they had been working at in the first place. Brain drain to the private sector is in many instances only coming at the taxpayer’s expense, not in a way that manages the defense budget in a cost-effective way.

In response to Andrew Moravcsik’s comment that this retention problem may be because of “political insulation” rather than skill demand, Singer suggested that the problem lies somewhere in between, in “the lack of looking at the bill itself.” In effect, DOD simply does not monitor the terms of the contract it sets, not solely because of Congressional lobbying, but because of Executive-branch implementation dynamics, because of the foreign policy and managerial pressures it is under.

Deborah Avant observed that in addition, short-term skill set fixes are a ruinous way to correct the capacity of the DOD to respond to long-run skill set deficits. No force or strategy restructuring is taking place in order to fill the mission gaps the Pentagon has been filling with contracting.

Feaver also noted that the Pentagon’s personnel management systems are “state of the art 1940s,” and that the retention problems will be mitigated if David Chu in the Office of the Secretary of Defense can correct some of these issues.

Session II Summary

Christopher Beese began the session with a view from inside the private security industry. Beese lamented the “sensational” press security contractors have received, noting that such labels as “mercenary” were unhelpful given the central role security
contractors now play in military operations, particularly in Iraq. Whereas before such contractors were limited to “tight knit groups of special forces,” Beese noted that “today we can be counted in our thousands, each corporate effort equivalent to a battalion, and in total, not simply a brigade, but a division.” His own firm currently has 1,500 employees stationed in Iraq.

Despite their growing importance, private security contractors operate in uncertain legal environments with little support or even understanding from governments. For example, Beese noted that many of his employees were unable to bring the military equipment they needed to Iraq and, because they had no uniform, received little respect. He also suggested that the perfunctory nature – or outright lack – of government oversight did not effectively screen capable contractors from less competent ones. This problem is currently driving up costs and reducing contractor effectiveness in Iraq.

Beese contrasted the problems surrounding contracting in Iraq with the relative ease with which contractors had been employed by the United Nations (UN) in Kosovo. There, the UN provided its contractors with equipment and legal status, and helped to legitimize them by including them in the larger “UN family.”

Beese argued that governments could learn from the positive contracting experience in Kosovo, and suggested current problems should “be addressed through improved regulation and a policy of positive engagement with our industry.”

Complementing Beese’s insights from the field with a government perspective, John Hamre began by identifying factors that he thought were driving military outsourcing: a history of close collaboration with the private sector on high technology, the creation of an all-volunteer force, and the disparity between upper-level military salaries and upper-level private sector salaries.

Hamre then considered the role of privatization in three different areas: warfighting, reconstruction, and stability operations. The first, he argued, would never be outsourced, because the military must have absolute confidence in every component of its combat forces. Reconstruction, in contrast, is predominately the domain of the private sector. The military has no expertise in this area, and is used in reconstruction capacities simply because “it is the only thing the government can get its hands on.” Stabilization operations are the most complicated of the three, and are likely to involve a mix of military forces and private contractors. Hamre reminded the group that diplomacy has for years been contracted out to non-governmental organizations (NGOs); if we are concerned about the privatization of defense, we should also be concerned about the privatization of diplomacy.

General William Odom began by identifying a few key problems with contracting, noting that the military has little contracting capacity. He then placed the discussion in a broader historical context, noting the difficulties of state-building in Vietnam and elsewhere. Outsourcing intelligence gathering has been tried, but it doesn’t work very well; we should bear in mind, however, that all spies are contracted civilians. The vast
majority of intelligence that informs policymaking comes from the media, universities, and think tanks; only roughly five to ten percent comes from the intelligence community.

Doug Brooks followed by highlighting some of the most interesting aspects of the panelists’ comments. He put particular stress on the need for proactive government involvement with the private security industry.

Two major points emerged from the question and answer period. First, prompted by a question from Andrew Moravscik, Beese and Hamre attempted to separate the core issues raised by military contracting from the case-specific difficulties encountered in Iraq and Afghanistan. Referring back to ArmorGroup’s experience with the UN and Kosovo, Beese stressed the need for a competent governmental bureaucracy to oversee contracting. Hamre cautioned against drawing generalizable conclusions from Iraq, which he declared a challenge “two to three orders of magnitude” greater than any that have been confronted previously.

Second, Peter Feaver expressed doubt that military contracting could be subject to effective cost-benefit analysis. The problem is that it is impossible to determine a baseline estimate of how much it costs the military to provide security at, for example, an oil field in Mosul. In response, John Hamre noted that when he was the chief financial officer at DOD, cost was never a consideration when deciding whether or not to contract out a function. Instead, the decision focused on determining the best combination of contractors and uniformed officers to get the job done.

**Session III Summary**

This session was intended to answer questions of the optimal functioning of state versus private enforcement of security objectives, but as Deborah Avant simply remarked, “These are hard questions.” The hard optimality question was essentially downplayed as unrealistic, and focus shifted to the second intended consideration, accountability questions in the use of private force by a democratic government.

Nikolas Gvosdev’s opening remarks suggested that this accountability conundrum cuts both ways – both in terms of downward oversight of contractors’ conduct in zones of conflict, and in terms of upward oversight of the Executive and Legislative branches, against government shirking on long-range strategy and principle.

Deborah Avant noted that, on the one hand, the private sector provides “surge capacity” that the DOD’s manpower policies are ill-equipped to provide – especially, it should be observed, in an era when the ground forces are already facing operational tempo burnout – but at the same time, this surge capacity “does not provide the government with an incentive to go back and figure out, how can we develop a capacity” to field a more appropriate force structure or capacities. Avant in particular noted problems with DynCorp displacing the armed forces’ own policing capacity, which has atrophied since the early post-World War Two period.
Essentially, Avant noted, government bureaucracy will generate transparency obstacles even to the “implementation” of privately contracted policy. Because the Executive Branch is effectively the “sole power” in foreign affairs, contractors gain political insulation against effective legal regulation not only in the decision phase, but also in the implementation phase. (As an instance of this relative insulation, Avant’s data showed that in Iraq, the New York Times has been mentioning contractors only once for every four times it mentions uniformed military personnel.) Meanwhile, contracting marks a generational shift in the Executive Branch’s discretion in making national security policy over the previous period, which was shaped by General Abrams’ move toward the “Total Force,” a reservist-constrained military.

Kateri Carmola painted a picture of a regulatory gap that, as suggested by the very term “privatization,” goes beyond that simple intellectual paradigm of tensions in balance of “civil-military control.” She believes that private security actors are representative of a loosening of civic allegiances to government regulation – apropos of Anne Marie Slaughter’s comment in Session I, Carmola notes “a breakdown in [the government’s] ability to call forth the allegiance of its members, in terms of doing the kinds of international endeavors to which most of our best and brightest want to see themselves as contributing.” Carmola therefore implied that contractors should be seen as constraining the government as much as the government is constraining contractors. “Laws and regulations, in order to be effective… must be seen as legitimate to the actor himself” in order to sustain obedience. Effective enforcement can be imposed without consent, but we are a long way from a relationship in which contractors feel “these laws are applying appropriately to them.”

She cited as markers along this ethical trajectory toward the heightened autonomy of the soldier from government (1) the professionalization of the all-volunteer force in the 1970s, (2) the gradual individualization of the soldier, as suggested in the US Army’s recruitment campaign, “An Army of One,” and (3) the rise of special forces operators as the more autonomous teams within the armed forces since September 11th. Even within the uniformed military, then, “you are moved away from the tradition of a conventional military, based on strong norms of group obedience and group honor,” and this worldview “plays into the identity of the operator” who will wind up driving events “on the ground.”

Alex Knott of the Center for Public Integrity, a campaign finance and lobbying watchdog unit, gave the conference participants an overview of the findings from his center’s recent investigative analysis, “Outsourcing the Pentagon,” a study of contractor political insulation, using a database of the last five years of Pentagon contracts over $100,000 – comprising $900 billion in budget allocations and 2.2 million contracts.

First, ten contractors won just shy of 40 percent of all contracts. (Eighty percent of all contracting dollars went to just 737 firms, that is, 1 percent of all contractors.) Meanwhile, 40 percent of all contracts were no-bid contracts. And 30 percent of all contracts set aside for minorities and small business went to companies that received $100 million or more in contracts during that period. In some instances this may be firms
“passing themselves off” as minority and small business contractors, but in other cases, large contractors “sit on the sidelines, and when a multi-year contract for small business is allocated, they will go buy that company, and they will then keep that small business designation for six or seven years afterwards.”

Further, while it is true that no-bid contracts often come about because of scale efficiencies in technology that generate monopoly suppliers, many of these no-bid contracts are increasingly in the area of services, where such considerations should not be as prevalent. (Services have climbed from 40 percent to 60 percent of defense contracting awards.) CPI found that lobbying is a more significant dimension of the way these contractors insulate themselves politically than even campaign finance. Altogether, these contractors have spent $36 million on campaign contributions, yet the work of just one lobbying firm, PMA, yielded that firm’s 41 clients one-third of total DOD contracting awards.

Charles MacCormack began by reiterating that the emphasis of analysis should first and foremost be on the challenge of initiating and coordinating a better regulatory dialogue among government, non-profit, and business organizations, downplaying until later any more abstract task-specific discussion of a division of labor among service sectors. NGOs have taken up a more active role in educating government and the electorate in operational issues. Hence, there will be a parallel in the rising influence of contractors upon government, rather than simply a rise of government oversight of contractors. The expanding NGO role in operations has meant stronger NGO lobbies, and the lesson for private contracting is, “you can’t separate the level of lobbying activities from the size of the contracting activities.” Government does not unilaterally “decide the specifications, write the contracts, and define what the contractors are going to do – it’s not quite as simple as that, because we all get a chance to dialogue about what those rules and procedures ought to be, so there is some back and forth.”

Furthermore, as the NGO sector has grown, it has become not only more expert about “what’s happening on the ground” than the Executive agencies, it has quite literally been able to set the agenda of the international community’s policy response, as the Gates Foundation does in public health, or the Rockefeller Foundation did with food security a quarter century ago. Today, just six NGOs have $7 billion in revenue, a sum equal to the USAID budget, and twice the UN development budget. These six have 100,000 full-time staff and two to five million part-time or volunteer staff. We can expect analogous developments as defense contractor involvement grows, in terms of impact on legislative activity and budget allocations.

The NGO sector also reinforces the allegiance questions that have cropped up in national security, with the humanitarian community employing former government experts who are tired of their personal influence being drained by the bureaucratic discipline of government, by “least-common denominator discussions about earmarking and so forth.” Nevertheless, government – at least compared to the NGO sector, which relies on handouts from other citizens or the government – is more efficient at raising cash. With all its problems, the Internal Revenue Service can raise a dollar for about a half penny on
the dollar [$0.005], whereas it costs NGOs about 15 cents [$0.15] to raise that same dollar. Overall, the advantages of the government can be found less in expertise or authority, and more in its operational strengths – primarily the scale of budget it brings to bear on a problem, and its “clout with other governments.”

Andrew Moravcsik’s comments reiterated the difficulty of sustaining an ethical impact on the regulatory game. “We don’t have far-sighted voters. Real world democracies are full of misinformation, apathy, short-sightedness, and biases induced by special interests and bureaucratic politics, and everything we’ve heard suggests that this is an area in which – because of the extraordinary level of expertise, the nature of the service provision – and so on, these problems are extreme. So you really can’t expect electoral politics to do more than get rid of extreme examples of corruption, and maybe even that is impossible.” Market competition does not regulate this industry because of incomplete information and oligopolies – “you literally couldn’t oversee it.” By contrast, interest group advocacy may bring some pressure to bear. And factoring in future contracting careers in the professional inculcation of uniformed soldiers may help elevate the self-imposed values in this industry. As both Avant and MacCormack emphasized, the fix isn’t best directed at the industry proper, but at the health of the state as a mediator of interest group dialogue on this. In particular, Moravcsik noted that retaining government expertise in this sector is probably more important than resources or legal instruments per se.

In Q&A, Anne-Marie Slaughter noted that the regulatory problem is not about the optimality of the force mix so much as the process by which a decreasingly restrained force structure is deployed. “The only way to be legitimate is to be transparent,” but currently PMFs are “subject neither to controls at home through Congress, nor to controls abroad through multilateral institutions.”

Avant noted that even contractors will in some important instances be loathe to sort out regulatory problems that they themselves recognize, because it may jeopardize their political standing with government figures who are in charge simultaneously of regulation and of awarding contracts.

Another direction of discussion brought out the impact of the militarization of foreign policy (identified in an earlier panel by Peter Feaver and others) upon the legitimacy of humanitarian goals of US policy, and especially of its agents, the NGOs. MacCormack in particular noted that, “We rely for 98 percent of our safety on the local population. What causes us problems, is when military forces carry weapons out of uniform and so forth, so that people who are supposed to know who we are, don’t know who we are. We are better off it we maintain this distinction.” MacCormack was particularly leery of private donors sponsoring private interventions for humanitarian or partisan purposes, not because of a sovereign prerogative, but because it would taint the legitimacy of American foreign policy making.
Session IV Summary

The final session of the conference allowed four distinguished generalists to consider the implications of what they had heard throughout the day from a broader perspective.

Anne-Marie Slaughter began by considering what kind of training and leadership will be needed in a world increasingly characterized by multisectoral collaboration. She emphasized that government leaders must be able to successfully interact with both NGOs and the private sector to create synergies between those groups and the government. They must also be able to conduct this kind of convening and coalition-building transnationally.

Next, Ambassador Felix Rohatyn speculated on what might lie in store for the private security industry as it develops. He suggested that the industry is likely to grow, especially in light of the rising gap between senior military salaries and private sector salaries. This growth will likely attract attention from the securities markets, which will in turn lead to greater transparency and accountability in the industry. This process can and should be facilitated by sensible government regulation, especially given the potential for contractors to act contrary to the US government’s interests, as in Abu Ghraib.

Richard Cooper began by providing further historical context, noting that 16th century privateers were, tactically, a highly successful example of military outsourcing. He then drew a distinction between “people who shoot other people” and “people who don’t shoot people but who go into harm’s way” and “people who are never in harm’s way.” He argued that the first should never be contracted out, but saw potential financial savings and efficiency gains in outsourcing the latter two.

These conclusions were informed by his experience with outsourcing in the Navy, which has generated savings of about 30 percent through outsourcing. While not all of this has been passed on to the taxpayer, it has freed significant human resources for combat functions.

Cooper concluded by reminding the audience of Eisenhower’s warning against the military-industrial complex. There may be a danger, he argued, in creating another industry with a financial interest in war. Returning to his 16th century example, Cooper noted how many of the privateers did not return to peaceful activities following the conflict for which they were commissioned, but instead became pirates.

Lee Feinstein identified failed states as a key driver of the “demand” for the kinds of security services offered by private contractors. Because capacity to deal with stabilization operations and post-conflict reconstruction does not exist in the government or at the UN, private contractors have moved to fill in the gap. He noted that the rise of private contractors has led to two seemingly opposed concerns. On the one hand, people fear that private contractors will have so much autonomy and capacity that they will be able to act in ways that undermine US policy. On the other hand, there is the fear that the
industry will not grow enough to fill important security needs that government seems unable to provide.

Feinstein closed by identifying three areas in which policy recommendations should be advanced. First, efficiency issues; how and when should private contractors be used? Second, where should post-conflict capacity be located: in DOD, in the State Department, or across a broad spectrum of federal agencies? Last, Feinstein argued that the industry must become more legitimate in the eyes of both domestic and international audiences. He suggested that voluntary codes of conduct may be a useful way to begin such a regulatory process. From the US perspective, it pays to take the lead because then you get to set the rules.

John Ikenberry closed the plenary discussion by considering the ways in which private military contractors challenged key assumptions of international relations theory, such as the role of the state and the nature of warfare. He noted that stability operations increasingly blend traditional inter-state conflict with more domestic-style law enforcement activities. When private actors are thrown into this mix they raise interesting questions regarding the legitimate exercise of force.

In the question and answer period several questions regarding Congressional oversight of the private security industry were raised. Lorelei Kelly expressed doubt that Congress would have the political will to meaningfully monitor military contracting, a view that was supported by Feinstein. Cooper suggested that a Government Accountability Office report may be a useful way to begin building political demand for greater oversight.
The changing nature of world politics emphasizes the multidimensional nature of virtually every aspect of international policymaking. An effective counter terrorism policy involves action abroad as well as at home, and the coordination of the two. A coherent policy toward Pakistan must consider ways to advance democracy and human rights, strengthen cooperation on defeating Al Qaeda and other terrorist groups, and prevent the spread of nuclear technology and know-how. Any new policy toward climate change must integrate scientific, economic, and foreign policy considerations into a coherent whole. In short, effective policymaking involves integration across multiple dimensions — both functional and along the national/international divide.

The federal government is ill-suited to ensure effective policy integration in this manner. It is a stove-piped organization, consisting of executive departments that were created in response to specific demands and that over time have grown into large, mostly one-dimensional organizations. Almost any issues worthy of the president’s attention or decision will involve the expertise and capabilities of multiple departments. Since no department or agency will likely cede the lead on any such issues to another department or agency, the White House is perforce the only real locus for effective policy integration. That, plus the need to ensure presidential direction of major policy issues, explains why the White House must lead the interagency process to ensure effective policymaking and oversight. Actual operations, of course, will have to remain the responsibility of the executive departments.

Unfortunately, the White House has traditionally been organized in ways that mimic the stove-piped nature of the government as a whole. There is a national security council, a national economic council, and more recently, a homeland security council. There is also a domestic policy council, the office of science and technology, and the council on environmental quality. Past administrations have frequently appointed presidential assistants to emphasize the importance of particular issues — such as AIDS or climate change. Once an issue is assigned to one of these stove pipes, it is generally worked by a staff that was predominantly responsible for one dimension of the problem. Other perspectives on policy are brought to bear only at the highest levels (deputies, principals, or sometimes only at the level of the president). This process likely results in policy recommendations where the interrelationship between different priorities are poorly assimilated, and likely increases the level of conflict at high policy levels without the benefit of adequate staff work to explore alternatives.

Past administrations have sought to address these problems by establishing functional policy directorates with dual-reporting chains. In the Clinton Administration, staff in the

* This discussion paper was drafted by Ivo Daalder, with major input from Jim Steinberg and Tony Lake. It benefited greatly from discussions with a number of people, including Sandy Berger, Phil Bobbitt, Bo Cutter, Mac Destler, Bruce Jentleson, Nigel Purvis, and Brent Scowcroft.
international economic policy directorate reported to the national security adviser and the national economic adviser, staff in the environment directorate reported to the national security adviser and the head of the council on environmental quality, and staff in the national security/science policy directorate reported to the national security adviser and the science adviser. In the Bush administration, the dual-hatting was elevated to the deputies level, with the deputy for international economic affairs reporting to the national security and national economic advisers and the deputy for combating terrorism reporting to both the national and homeland security advisers.

These arrangements to some degree helped to integrate diverse perspectives on issues which touched on multiple policy interests, but two key problems remained. First, the dual-hatted staffs were torn by divided loyalties between the advisers to whom they reported. In some instances, the dual-hatted staff effectively came to “belong” to one or the other council/adviser, thus effectively negating the benefit of dual reporting chains. Second, the arrangements did not adequately integrate the economic, environmental and other functional perspectives into traditional foreign policy problems (especially when these issues were handled by the regional directorates of the NSC).

Reorganization Options

There are at least three different ways in which the White House can be organized to meet the increasingly multi-dimensional demands of policymaking. The first of these options represents an evolutionary change from the existing organization by retaining the three-council system while addressing some of the drawbacks identified above (see Figure A for the current White House set-up). The other two options involve more far-reaching changes by abandoning the reliance on multiple councils and differentiated staffs.

The Multi-Council Model

This option would retain the three main policy councils — for national security, national economics, and homeland security — in the belief that the issue-load to be handled by the White House staff is simply too large for a single council-system or staff to handle. This is especially true given that the number of issues requiring interagency coordination and direction continues to expand greatly both in number and in kind. For example, many homeland security issues involve coordination among different domestic agencies, an area that has not traditionally fallen under the purview of the NSC. There is also a growing requirement to integrate domestic and foreign concerns within a particular policy area (e.g., homeland security or economic policy), which are best addressed by bodies responsible for these issues. To ensure effective policy integration, key staff positions and directorates will have to be dual-hatted. This will be true for the international economic staff as well as the homeland security, terrorism, and intelligence staffs, who invariably deal with issues that cross the foreign-domestic divide.
MULTI-COUNCIL MODEL

President

National Security Council

Homeland Security Council

National Economic Council

Staff/Directorates

Staff/Directorates

Staff/Directorates

To overcome the problem of dual loyalties it is vitally important that the people appointed to lead the different councils at the principals and deputies level be willing and able to work together in a cooperative and integrated fashion. This was the case during the first Clinton term, when Tony Lake, Bob Rubin, Sandy Berger, and Bo Cutter established a well-integrated policy making operation in the international economics area. Jointly chaired internal and interagency meetings must become the norm in all cases involving multiple policy dimensions. Moreover, in order to ensure that economic and terrorism perspectives are more fully reflected in traditional foreign policy concerns, regional directorates would include economic and terrorism experts as an integral part on their staffs. (The Bush NSC already includes an economic specialist on the staff of each regional directorate.)

Even with these changes, however, the multi-council model suffers from many of the drawbacks that were identified above. Though the system is more familiar, and would be effective in addressing many routine matters, it risks perpetuating the stove-piping of the policy making process at a time when many of the most important issues require policy integration across these functional and national/international divides. Moreover, by extending the practice of dual-hatting staff, the problem of divided loyalties will become even more pervasive.

There is, therefore, a strong case for abolishing the stove-pipes. This would entail two radical changes. First, it would require the abolition of some or all of the policy councils. As it stands, participation in the various council meetings (NSC, NEC, HSC) varies with the topic and often involves agencies that are not part of the statutory NSC or even the “standing” principals committee. The 9/11 Commission has called for merging the HSC into the NSC, a provision also included in the Senate version of the intelligence reform bill. Moreover, during the Clinton and Bush administrations, the Treasury Secretary has already become a full member of the NSC principals committee. Second, it would also require the abolition of separate staffs. An economics and counter-terrorism perspective will frequently be needed on most issues, ranging from preparing the president for visits of foreign leaders, to key policy decisions, to budget and funding issues. Similarly,
consideration of most international economic issues will require political and/or national security input.

Abolishing stove-pipes can produce two different organizational models — one that emphasizes a single staff, the other that emphasizes a single council.

*The Single-Staff Model*

Although integrating the staff work across the policy disciplines is critical, it is also vital that the president have the counsel of the best possible senior advisers on the key policy issues facing the nation. Today, the three key international policy functions (national security, homeland security, and economic policy) are each represented by an assistant to the president. The single-staff model would retain these three separate assistants, but have each draw on a single, integrated policy staff to manage the interagency process and help formulate new policy. One of the assistants would be assigned the lead on a set of issues and he/she would then organize and supervise the staff work for those issues, chair the interagency meetings, and prepare decisions for review by the president. The other assistants would participate in this process as and when needed.

**SINGLE-STAFF MODEL**

In order to operate effectively, two additional organizational changes would have to be instituted. One is to assign the president’s chief of staff the critical role of resolving likely disagreements among the assistants, both on whom among them should take the lead on individual issues and on how substantive disagreements on policy should be resolved either at the principals level or through referral to the president. (This was in fact the role played by the chief of staff in the Clinton White House on such critical cross-cutting issues as the Asian financial crisis and China’s WTO accession.) The other important change is the establishment of a strong executive secretariat for the
consolidated White House policy staff, headed by a senior, experienced professional who would have overall responsibility for the day-to-day staffing decisions, leaving the assistants to the president free to focus on substantive policy issues.

The advantage of this model is a more complete, balanced, and integrated consideration of the range of policy consideration at the principal level than is the case in any of the other models. The president could be confident that all the different perspectives of the issues will have been considered before they are presented to him for decision.

The disadvantage of the model is that it will not prove easy to implement. Sorting out ownership over different issues may become a time-consuming, even confrontational process that could come to occupy much of the chief of staff’s time — to the likely disadvantage of all of the other crucial functions this person uniquely performs. Moreover, in order to ensure prompt consideration of the many issues flowing into the White House for action, the secretariat will have to be both powerful and large — likely creating a new bureaucracy with significant drawbacks of its own. Finally, the assistants to the president would lose some of their stature vis-à-vis the rest of the U.S. government. For 20 years, the president has looked to his national security adviser rather than his chief of staff to be the principal point person on international affairs (the chief of staff has played this role on most domestic issues). By in effect subordinating the national security adviser to the chief of staff, the adviser loses standing not only within the internal White House hierarchy but with the cabinet secretaries — with potentially negative consequences for the adviser’s ability to fulfill the all-important interagency coordination function. What would be gained in terms of policy integration within the White House could thus be lost by the possible weakening of the interagency process.

*The Single-Council Model*

One way to overcome these drawbacks would be to retain the national security council as the primary organizing vehicle for both the White House and the interagency process. Functions and staff currently part of the other White House councils would be moved into the NSC (though one could retain the NEC as the place responsible for coordinating domestic economic policy, with possible shared control over international economic policy). It would then be up to the national security adviser to ensure different policy perspectives are reflected in the directorates and staff teams that help formulate policy. Deputy national security advisers with responsibility for key functional areas like terrorism, weapons proliferation, international economics, and global issues could draw on an integrated staff to ensure different perspectives (regional as well as function, foreign as well as domestic) are brought to bear on the policy making process (see Figure B for additional details). Overall oversight of the process would reside with the national security adviser and the principal deputy, who would also be responsible for crisis management.
The advantage of this model is clarity of authority and responsibility within the White House and across the government. The national security adviser would be the single, undisputed leader of the international policy staff — and the president’s principal adviser on all international policy issues. The adviser could assign issues to specific deputies or directorates for consideration, and resolve any conflict within the staff. The model also encourages White House direction of the interagency process, with the national security adviser retaining clear authority of the principals committee, the principal deputy able to chair a true deputies-level meeting either as an alternative to the principals or for crisis management purposes, and the functional deputies chairing interagency meetings at the undersecretary level, which is where most departmental policy integration occurs. Assistant-secretary level interagency working groups would be chaired by NSC senior directors or heads of ad-hoc teams formed to address policy issues that do not clearly fall within a particular NSC directorate’s purview.

The disadvantages of the model are three. First, the functional deputies would in effect create a new bureaucratic layer, with the possibility that those lower in the hierarchy would have reduced standing in the interagency process. Second, the ability to meaningfully supervise across all functional areas (national security, homeland defense/counter-terrorism, international economics, and global issues) may be beyond the scope of any individual, in terms of both time and expertise. Strong deputies would help, but the burden of managing the internal process, running the interagency process at the principal level, and effectively serving as the president’s principal adviser on these issues may be beyond the capacity of any single person. Finally, there would inevitably be concern that the “national security” orientation of this model would inappropriately diminish the influence of other perspectives. This concern might in part be alleviated if the NSC were renamed the “International Policy Council” and the person heading the
council and staff was someone with wide-ranging experience beyond the traditional national security area.

A Note of Caution

Up to this point, the discussion of different organizational models has ignored the most important determinant of which organizational structure would work best — namely, the desires of the president. How the president wants to be staffed will determine which of these models work best for him. The single-staff and to some extent the multi-council models will present the president with more differentiated points of view within his staff than the single-council model. The single-council model, on the other hand, may be better at presenting views of the president’s top advisers within the cabinet. In short, before deciding on an organizational model, the president-elect will have to think about how he wants his staff to serve him in a day-to-day capacity, including whom among his aides he is most likely to look to for information, advice, and action, for it is these considerations that will be the primary determinant of whether and how a particular model will operate in practice.
Figure A: Bush White House Organization
Figure B: Single-Council Model
APPENDIX E

Key Recommendations of Selected Other Reports

This appendix outlines proposals of selected major reports on government reform, national security infrastructure, and global institutions. It does not summarize the reports comprehensively, but rather emphasizes those recommendations of most relevance to this report.

Center for Strategic and International Studies Phase 2 report
July 2005

This report assesses and makes recommendations on interagency policymaking and execution, and Defense Department reform. Its major theme is that “in an era of fast-moving, unpredictable challenges, government should be more agile.” Its proposals emphasize the need to eliminate redundancies that produce inefficiency and bureaucratic conflict, while assuring maximum alignment of authority and accountability.

The report recommends:

- Establishing a Quadrennial National Security Review and a classified National Security Planning Guidance to formulate national security strategy through an interagency process and determine the capabilities and resources required to implement the strategy.

- Creating joint NSC/OMB mission area reviews for national security priorities that require interagency implementation.

- Bolstering the role of the NSC so that it is more involved in ensuring that presidential intent is implemented through government actions.

- Developing a national security career path that gives personnel incentives to gain education and experience outside their home agency.

- Holding regular NSC-chaired interagency summits in each region of the world to integrate government efforts at the regional level.

- Building more deployable civilian operational capacity outside the Defense Department.


- Converting the National Defense University into a National Security University that would train officials from all national security agencies.
2. Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era
Center for Strategic and International Studies Phase 1 report
March 2004

The report asserts that the U.S. national security apparatus must be reformed for a new strategic era and that jointness needs to be expanded to achieve superior military, interagency, and coalition capability. It recommends:

- Rationalizing the Pentagon's organizational structure by creating a more integrated civilian and military staff.
- Enabling the Defense Department to acquire and field joint interoperable command and control capabilities.
- Establishing a more integrated and strategically-directed national security resource allocation process.
- Creating a new Defense Professionals Corps, with expanded opportunities for professional development and advancement.
- Forming an office in the NSC with the mandate of integrating agency strategies for complex operations and ensuring greater coordination in their implementation.
- Establishing a new Agency for Stability Operations, with a Civilian Stability Operations Corps and Reserve, that would prepare civilian capabilities for stability operations.
- Creating a new Training Center for Interagency and Coalition Operations.
- Increasing funding for programs that facilitate collaboration between civilian planners and operators and their foreign counterparts, and build the operational capabilities of allies and partners.
- Forming a bipartisan group of former congressional leaders to assess current national security committee membership, structures, and jurisdictions, and to make recommendations on how to improve congressional oversight of the Defense Department.

3. A More Secure World: Our Shared Responsibility
Report of the High-level Panel on Threats, Challenges and Change
December 2004

This report to the United Nations argues that it is critical to establish a new international consensus on the meaning and responsibilities of collective security. It highlights six clusters of threats to international security: economic and social threats, including poverty, infectious diseases, and environmental degradation; inter-state conflict; internal
conflict; nuclear, radiological, chemical and biological weapons; terrorism; and transnational organized crime. The report recommends:

- Giving more attention to preventive action, grounded in economic development to reduce poverty and political development to build state capacity.

- Improving capacities for peace enforcement, peacekeeping, and peacebuilding, including through the establishment of a Peacebuilding Commission that would organize aid to states sliding toward collapse and marshal and sustain international community efforts in post-conflict peacebuilding.

- Establishing more intrusive nuclear inspections and arrangements for internationally-guaranteed access to nuclear enrichment and reprocessing services.

- Enlarging the Security Council from 15 to 24 members.

- Creating institutional arrangements to address economic and social threats.


- Establishing a new Deputy Secretary-General responsible for peace and security.


Final Report of the National Commission on Terrorist Attacks upon the United States

W.W. Norton & Company

July 2004

This report reviews government deficiencies related to 9/11 and argues that the United States must transform its national security institutions so that it can respond to new threats and challenges with quickness, imagination, and agility. It proposes:

- Creating a National Counterterrorism Center for joint operational planning and joint intelligence on terrorism, staffed by personnel from different agencies.

- Establishing a National Intelligence Director with responsibility for: 1) overseeing national intelligence centers on subjects of interest across the government; and 2) managing the national intelligence program and overseeing the agencies that contribute to it.

- Declassifying the topline budget figures of intelligence agencies so that Americans know how much the United States is spending on intelligence.

- Developing information procedures that provide more incentives for sharing information and establishing a government-wide “trusted information network.”
• Strengthening congressional oversight by: 1) establishing a joint intelligence committee or a single committee in each house that combines authorization and appropriations powers; and 2) creating a single, principal point of oversight and review for homeland security.

• Accelerating the process for national security appointments so that transitions between administrations are smoother.

• Developing a specialized and integrated national security workforce at the FBI imbued with deep expertise in intelligence and national security.

5. **Urgent Business for America: Revitalizing the Federal Government for the 21st Century**

Report of the National Commission on the Public Service

This report argues that the notion of public service and the organization of the U.S. government are in disarray. It asserts that government is unable to attract or retain many talented personnel, and that the government's structure and operations are “a mixture of the outdated, the outmoded and the outworn.” It recommends:

• Reorganizing government into a limited number of mission-related executive departments, with managers of their operating agencies chosen for their operational skills and given the authority to develop management and personnel systems appropriate to their missions.

• Giving the president expedited authority to recommend structural reorganization of agencies and departments.

• Realigning congressional committee oversight to match the mission-driven reorganization of the executive branch.

• Speeding and streamlining the presidential appointments process, and reducing the number of political appointments.

• Increasing judicial, executive, and legislative salaries to ensure a reasonable relationship to salaries for comparable jobs outside government.

• Developing flexible personnel management systems that meet the special needs of operating agencies.

• Simplifying and accelerating the recruitment of federal employees.

• Formulating and enforcing clear standards for outsourcing that advance the public interest and do not undermine core competencies of government.
6. *Road Map for National Security: Imperative for Change*

The United States Commission on National Security/21st Century (The Hart/Rudman Commission) Phase 3 report
March 2001

This report argues that America's national security institutional base is in decline and must be rebuilt. It recommends:

- Creating a National Homeland Security Agency with responsibility for planning, coordinating, and integrating U.S. government activities in homeland security.
- Making homeland security a primary mission of the National Guard.
- Developing a top-down strategic planning process for national security linked to the allocation of resources.
- Making the Secretary of the Treasury a statutory member of the NSC.
- Integrating regional and functional activities at the State Department by creating five Under Secretaries with responsibility for overseeing the regions of Africa, Asia, Europe, Inter-America, and Near East/South Asia.
- Integrating fully the activities of USAID into the State Department.
- Reducing defense infrastructure costs by consolidating, restructuring, outsourcing, and privatizing more Defense Department support agencies and activities.
- Moving the Quadrennial Defense Review to the second year of a presidential term.
- Reducing the number of Senate-confirmed political appointments by 25 percent.
- Expanding the National Security Education Act of 1991 to include broad support for social sciences, humanities, and foreign languages in exchange for civilian government and military service.
- Establishing a National Security Service Corps to develop leaders who seek integrative solutions to national security problems.
- Merging congressional national security appropriations subcommittees with their respective authorizing committees.

Forming a permanent congressional consultative group comprised of congressional leaders and the chairs and ranking members of the main committees involved in national security.