

Chaillot Paper

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Transformational diplomacy

Justin Vaïsse



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This *Chaillot Paper* only covers events up until 1 May 2007. The opinions and analyses presented in this paper are the sole responsibility of the author.

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Is it because they were so profoundly affected by the attacks of September 11 2001 that the United States, under the Republican administration of George W. Bush, have so ardently tried to transform the world? The war on terror, regime change, the promotion of democracy, the Middle East domino democracy theory – most of the ideas successively put forward by American leaders presupposed a highly intrusive form of diplomacy, even implying the right to use military force to overthrow dictatorships. Which is what happened in Iraq, despite the other arguments about the existence of weapons of mass destruction or the alleged link between Iraq and terrorism having turned out to be fallacious.

This approach ultimately found both its political and administrative incarnation in the concept of transformational diplomacy, articulated by Secretary of State Condoleezza Rice in late 2005. Basically the concept involves transforming the instruments and structures of American diplomacy so as to make it more capable of transforming the world. Much more than a slogan, the term ‘transformational diplomacy’ reflects a determination to thoroughly revamp the practices of the US administration in this area.

All of this is brilliantly demonstrated in this Chaillot Paper by the historian Justin Vaisse, special advisor on transatlantic relations at the Centre d’Analyse et de Prévision at the French ministry of Foreign Affairs, and an expert on the United States, where for a number of years he was a Visiting Fellow at the Brookings Institution. This Chaillot Paper constitutes a unique in-depth analysis of the ideological, governmental and operational implications of the transformational policies conducted by the US under President Bush. Beyond the way in which it explains the ideological dimension, this study’s originality lies in the way it gives the reader an insight into the heart of the American system. The author cogently dissects the administrative and financial upheavals which occurred in the different departments and agencies in charge of the external action of the United States, whether concerning development aid, the State Department or the Pentagon.

This Chaillot Paper is a translation of Chaillot Paper no. 95, ‘Etats-Unis : le temps de la diplomatie transformationnelle’, published by the EUISS in December 2006, under the directorship of Nicole Gnesotto.

This highlights a dual paradox. There is a striking discrepancy between, on the one hand, the relatively sceptical European reaction to the freedom agenda discourse that is so pervasive in American politics, and on the other the extreme seriousness with which the US administration has engaged in the idea of transformational diplomacy. On the other hand, the embracing of transformational diplomacy seems to have coincided with the very moment when the reality of the various crises in the world – civil war in Iraq, the election of Hamas, the rise of Hezbollah – undermined the appropriateness and the feasibility of this policy. If it is true that the whole of the Middle East has been transformed by the American intervention in Iraq, it is difficult to feel that this transformation has been positive for the stability and democratisation of the region.

Does this mean that this transformational interlude in American diplomacy was inappropriate with regard to the strategic reality of the post 9/11 world? Not necessarily. Not least among the merits of this Chaillot Paper is the fact that it distinguishes, within this American concept, those elements that derive from an excess of ideological fervour and those that constitute a vital ingredient for the management of international insecurity today.

Paris, December 2006

On 18 January 2006, speaking in front of an audience of Georgetown School of Foreign Service students, Secretary of State Condoleezza Rice outlined a new concept to describe her policy directions: transformational diplomacy (see Annex 1):

‘I would define the objective of transformational diplomacy this way: to work with our many partners around the world, to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.’

It would be just as excessive to identify the core of American foreign policy in those two words as it would to consider transformational diplomacy a mere slogan, a mere dressing up of a policy based on more conventional factors. It would also be inaccurate to view transformational diplomacy as being synonymous with George W. Bush’s ‘freedom agenda,’ with the will to ‘transform’ the Middle East and to democratise the region, by force if need be.

This flexible concept might be defined as the transformation of American diplomacy (in the broadest sense, encompassing objectives, ways, and means) to enable it to reshape the international system through the transformation of failed, weak or divided regimes into strong and democratic ones, or at the very least into better governed ones.

The concept of transformational diplomacy is useful in that it draws a link between:

- on the one hand, a new understanding of international reality (today’s challenges come from failed states as much as they do from wars between states), an understanding that must remain compatible with the Bush doctrine inherited from the first term (i.e. democratisation as a universal cure for any and all security problems) but that is more realistic and sophisticated (holding elections is not enough);

- and on the other hand, the adaptation of America's foreign policy instruments to this new context. Nation-building is becoming more important than negotiation. Both diplomats and soldiers must therefore redefine their roles and act directly upon foreign societies. Hence new reforms and a convergence, a reorganisation and an 'alignment' of the tools of diplomacy, reconstruction and stabilisation, democratisation, and of development or good governance assistance.

This *Chaillot Paper* outlines the political and ideological roots of transformational diplomacy (Chapter One), then focuses on its different components, starting with the changes it implies for America's diplomatic instruments (Chapter Two), its development assistance as well as its democratisation programmes and support for good governance (Chapter Three), its reconstruction and stabilisation tool for countries in turmoil (Chapter Four), ending with a brief review of the ongoing changes at the Pentagon (Chapter Five). The conclusion of this paper will place transformational diplomacy in the broader framework of American foreign policy formulation. It will also look at the future of this concept and, in particular, at the reforms that it brings with it in a deteriorated security environment.

The political and ideological roots of transformational diplomacy

A few lexical considerations

Who coined the expression ‘transformational diplomacy’? Everything points to Condoleezza Rice herself, or to someone from her inner circle (Jim Wilkinson has been mentioned as one of the possible ‘inventors’ of the phrase, as well as Steve Krasner), the concept having progressively taken shape over the course of 2005, and coming into frequent use, in its current meaning, in December 2005–January 2006.¹

The etymological origins of transformational diplomacy are easy to pin down: they start with the World War II and Cold War victories. For George W. Bush, and even more so for Condoleezza Rice, who was directly involved in the latter events, the cornerstone is George Bush Senior’s ‘transformative’ action in Europe in 1989–91, which followed Ronald Reagan’s, and which ‘won’ the Cold War. The memoirs written by George H.W. Bush and Brent Scowcroft, which focus mainly on the diplomacy which accompanied the collapse of the Soviet empire, are entitled *A World Transformed*.² Condoleezza Rice and Philip Zelikow (who, under the title of Counselor, until December 2006 was her highly influential personal advisor on these issues) wrote a book on a very similar topic, entitled *Germany United and Europe Transformed*.³ In her speech at Sciences Po in Paris on 8 February 2005, the Secretary of State referred to the power of transformative action undertaken by freedom fighters:

‘In Poland, Lech Walesa had had enough of the lies and the exploitation, so he climbed a wall and he joined a strike for his rights; and Poland was transformed.’⁴

This same understanding of ‘transformational’ is present in the ambition of ‘transforming’ the Middle East through the 2003 intervention in Iraq. ‘Soon after the conclusion of World War II,

1. The formula, in its current acceptance, can be found in an early ‘Fact Sheet’ from the White House Press Secretary, dated 14 December 2005. The fact sheet describes NSPD-44 (see Chapter 4) and can be found at <http://fas.org/irp/offdocs/nspd/nspd-44fs.html>.

2. George H. W. Bush and Brent Scowcroft, *A World Transformed* (New York: Knopf, 1998).

3. Philip D. Zelikow and Condoleezza Rice, *Germany United and Europe Transformed: A Study in Statecraft* (Cambridge, MA: Harvard University Press, 1995).

4. Condoleezza Rice, *Remarks at the Institut d’Etudes Politiques de Paris – Sciences Po*, 8 February 2005, available online at: <http://www.state.gov/secretary/rm/2005/41973.htm>.

America committed itself to the long-term transformation of Europe. (...) Today America and our friends and allies must commit ourselves to a long-term transformation in another part of the world: the Middle East',⁵ wrote Condoleezza Rice in August 2005. This phrase is therefore clearly tied to the democratic agenda set forth by President Bush, and to his personal belief in the active virtues of freedom. Natan Sharansky, the well-known Soviet dissident turned Israeli hawk, highlights this connection in the preface to the second edition of his book, *The Case for Democracy – The Power of Freedom to Overcome Tyranny*. He explains that the president read and enjoyed the book to the point of inviting its authors to the White House: 'When he greeted us in the Oval Office, the President expressed his firm belief in the power of democracy to transform the Middle East.'⁶

The religious undertones of the word 'transformative' are clearly visible in the various uses that have been made of it. Bush, for instance, in a speech to the Organisation of American States in 2005, opposed the 'wrong vision' of the future of Latin America, that of Hugo Chavez, to his own vision, 'one [which] offers a vision of hope – it is founded on representative government, integration into the world markets, and a faith in the transformative power of freedom in individual lives.'⁷ We can note that the president does not base his vision on the 'transformative power of freedom' but on his faith in the existence of such a power – faith is the primary redeeming factor. In the same way that, in 1986, Jesus 'changed the heart' of the president and made him stop drinking, freedom can transform countries that give up authoritarianism. This idea of redemption underlies the 2006 National Security Strategy's mention of Beijing: 'China's leaders proclaim that they have made a decision to walk the transformative path of peaceful development.'⁸ China is on the right path, heading towards salvation; it may be unaware of it, but this path of peaceful development will, in a way, 'change its heart.'

Although they are generally less ideologically loaded, the phrases created from the root word 'transformation' always carry connotations of prestige and mystery. In this way, 'transformational presidents' are presidents who reorganise for the long term, in domestic policy or foreign policy, the structural framework of the national or international political system, the way American politics works, instead of simply managing it – and who therefore appear as demi-gods.⁹ George W. Bush would clearly like to be a

5. Condoleezza Rice, 'Transforming the Middle East', *Washington Post*, 7 August 2003.

6. Natan Sharansky (with Ron Dermer), *The Case for Democracy – The Power of Freedom to Overcome Tyranny and Terror* (New York: Public Affairs, 2004), introduction to the paperback edition.

7. 'President Discusses Trade, CAFTA at Organization of American States', 6 June 2005, can be found at <http://www.whitehouse.gov/news/releases/2005/06/20050606-1.html>.

8. 2006 *National Security Strategy* (see Annex 6).

9. See for instance Stephen Skowronek, *The Politics Presidents Make: Leadership from John Adams to Bill Clinton* (Cambridge, MA: Harvard University Press, 1993). William Safire quotes the research work done by James MacGregor Burns as the source of the term. In particular, he mentions his 1978 book, *Leadership* (New York: Harper, 1978). See also William Safire, 'Diplomlingo', *New York Times*, 11 June 2006.

‘transformational president’,¹⁰ along the lines of Franklin D. Roosevelt and Harry Truman. As for Donald Rumsfeld, he focused on the ‘transformation’ of the American military, a coded notion which refers to a set of reforms in the structure of the military taking it towards greater agility and greater technological intensity (see Chapter Five.) This objective made him look like a wrestler battling a gigantic bureaucratic organisation, the Pentagon and its 2.1 million employees, in a clash of titans.

But in the international relations vocabulary used by the administration, ‘transformation’ has come to refer to a more precise reality, that of taking political factors and good governance in a given situation into account.

- In this way, within the framework of the Millennium Challenge Account programme (see Chapter Two), ‘transformational states’ are those demonstrating efforts towards governance (fighting corruption, opening up the economy, etc.) and therefore eligible for the programme.¹¹
- Andrew Natsios, the former director of USAID (United States Agency for International Development), started using the phrase ‘transformational development’ as early as 2005. USAID continues to use it in its budget to refer to the ambition of politically changing the countries the Agency is helping, starting with an in-depth analysis of the structural causes of these countries’ instability (youth unemployment, lack of access to land ownership and the like).¹²
- One last example: ‘conflict transformation’ is defined, according to Marcia Wong of the Office for Reconstruction and Stabilization, as ‘the process of identifying and diminishing the means and motivations for conflict,’ the idea being to foster a simultaneous process of wiping out causes of conflict and strengthening institutions – the only way to come out of a crisis.¹³

Very ideological in 2002-2003, and almost synonymous with ‘regime change’, the term ‘transformation’ has therefore taken on added layers of meaning, shifted, and become more complex. The end result of this evolution is ‘transformational diplomacy’, a phrase whose meaning was not really set until mid-2005. Of course, the ideal end goal remains democratising authoritarian regimes. But two developments have clarified the concept: the shortcomings of the democratisation agenda and a better understanding of the new challenges of the international system.

10. Cf. Joseph Nye, ‘Transformation Is Hard’, *Time*, 17 July 2006.

11. ‘Finally, as Chairman Kolbe and Congresswoman Lowey mentioned, we do ask for support for the Millennium Challenge Corporation, the President’s innovative program to reward transformational states; that is, states where they have – they are making the decisions to govern wisely, to fight corruption, to open their economies, but poor countries that need help to be able to deliver the benefits of democracy for their people.’ Condoleezza Rice, *Remarks before the House Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs*, 4 April 2006; see <http://www.state.gov/secretary/rm/2006/64120.htm>.

12. The first of the five strategic objectives for USAID, as was announced in January 2006, is transformational development (see Chapter 3).

13. Marcia Wong, Coordinator for Reconstruction and Stabilization, Remarks at the 17th Annual NDIA SO/LIC Symposium, Crystal City, VA, 13 March, 2006. See: <http://www.state.gov/s/crs/rls/rm/63540.htm>.

Transformational diplomacy: the mature phase of the Bush doctrine

Elections are not enough; indeed they can even make a difficult situation worse. The Bush administration has had many opportunities to recognise this fact: from the situation in Iraq, where sectarian violence has got worse, to Palestine, where Hamas has triumphed, to Egypt, where the Muslim Brotherhood is gaining ground. Each of these events contradicts the Bush doctrine according to which freedom, and more specifically democracy, is the solution to all our security problems: terrorism (democracies do not breed terrorism), wars and proliferation (democracies do not go to war against each other, according to the theory of democratic peace), trafficking of all kinds ... The mystique of democracy does not bring an end to civil wars, or to the dissolution of a state's power, or to authoritarian leaders' stranglehold on power.

Transformational diplomacy therefore appears at a time in history when the Bush doctrine has been discredited and it is, in a way, the successor of that doctrine as a fall-back position or as a temporary refuge during a forced retreat. It seems to be a clever attempt by the Secretary of State to 'triangulate' between several constraints:

- the need to avoid renouncing the idealistic part of the president's agenda, which he reasserted in grandiloquent terms in his January 2005 inaugural speech ('ending tyranny in our world');¹⁴
- the pressure coming from neoconservatives, who are suspicious of Condoleezza Rice's perceived 'realist' instincts, and who want to be reassured on this point (Bill Kristol, editor-in-chief of the neoconservative journal *The Weekly Standard*, has given his blessing to transformational democracy);¹⁵
- the need to take into account criticism coming from defenders of the realist school of thought, especially in Congress, and criticism coming from European allies, on the cul-de-sacs of the Bush doctrine, the illusions of the 'democratisation only' agenda, the importance of nation building, the evident limitations of the Broader Middle East and North Africa Initiative (BMENA), and the need to bring in allies (transformational diplomacy is supposed to focus more on all-out cooperation, at least in principle, and does to a certain extent, as the example of the Reconstruction and Stabilisation Office will show, see Chapter Four);

14. 'We go forward with complete confidence in the eventual triumph of freedom'; 'So it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.' See the full speech at <http://www.whitehouse.gov/new s/releases/2005/01/20050120-1.html>.

15. 'Transformational times require transformational diplomacy. The term is a fancy term, but it captures a real truth', says Bill Kristol, editor of *The Weekly Standard* and a prominent voice of neo-conservative Washington. 'The US is not now a status-quo power. That is unusual for a superpower.' William Kristol, quoted in Daniel Dombey and James Harding, 'The US administration wants help for its transformational ambitions in some unstable regions of the world', *Financial Times*, 18 February 2005.

- the constraints of the situation on the ground in Iraq, Afghanistan and elsewhere, which make it necessary to scale down the grandiose aims and pursue a more pragmatic and less ideological stance.

Transformational diplomacy, a clever synthesis of idealism and realism, fits in perfectly with the 2006-2007 *zeitgeist*. It fits in, for instance, with the evolution of a thinker such as Francis Fukuyama¹⁶ who is distancing himself from neoconservatism and, in particular, has been criticising the outsize ambition of undertaking social engineering in a distant and poorly known country – Iraq – when, originally, neoconservatism was largely born from a critique of the illusions of social engineering in America, specifically Lyndon B. Johnson’s ‘Great Society’ programmes.

To the objective of democratising the universe, Fukuyama prefers more modest but more attainable goals, goals that bear a kinship with transformational diplomacy. The main focus should be on political institutions and the rule of law while at the same time supporting economic progress through development aid policies. In other words, we need to pay attention to good governance if we want to strengthen weak states. It should be noted that international financial institutions started going down that path in the mid- to late-1990s. More specifically, Fukuyama considers that, in many cases, before focusing on limiting power – which is the objective of democratisation – power should be concentrated, so as to establish order – which is the goal of nation-building. Civil war, anarchy, and the absence of sovereignty are often the real problems, more so than the absence of democracy.

This last point is at the core of transformational diplomacy. The objective of democratisation remains, but it is no longer the exclusive obsession of the United States’ action abroad. Instead, the focus is on rebuilding the damaged international system by consolidating its basic units – individual states – and by transforming them into responsible members of the community of nations, members that can stand up to terrorism, trafficking, proliferation, countries that can assert their sovereignty and interact positively with other countries. To use the terminology of Stephen Krasner, the former Policy Planning Staff director, they can then be ‘responsible sovereigns’ in the international system.¹⁷ Therefore, even if the attributes of ‘responsible sovereigns’ are generally found in democratic regimes – although this is far from being

16. Francis Fukuyama, *America at the Crossroads – Democracy, Power, and the Neoconservative Legacy* (New Haven, CT: Yale University Press, 2006).

17. ‘When we’re saying we want effective partners, it’s not just buying a vote in the U.N. Security Council next month. It’s about making these countries responsible sovereigns. It’s about making them effective, capable democracies.’ Steve Krasner, conference at the Center for Global Development, 20 January 2006, transcribed at <http://www.cgdev.org/doc/event%20docs/Krasner%20Transcript.pdf>. See also his book *Sovereignty: Organized Hypocrisy* (Princeton, NJ: Princeton University Press, 1999), and his articles ‘Sharing Sovereignty – New Institutions for Collapsed and Failing States’, *International Security*, vol. 29, no. 2, Autumn 2004, pp. 85-120, and ‘Addressing State Failure’ (with Carlos Pascual), *Foreign Affairs*, vol. 84, no. 4, July – August 2005, pp. 153-63.

always the case – and even if democracy is indeed the end goal, transformational diplomacy is not infused with the abstract idealisation and naïve sacralisation of democracy that was contained in the Bush doctrine. ‘We are trying to establish a certain degree of order to keep extremists from acting freely’ admitted, pragmatically, a senior official in the Reconstruction and Stabilisation Office in autumn 2006. The Secretary of State, for her part, reaffirms her commitment to democracy (‘I’ll be very straightforward about it, we want to see well-governed democratic states. We don’t want to see well-governed dictatorships, and we don’t want to see poorly governed democracies.’)¹⁸ but, in practice, the primary focus is on strengthening states.

Transformational diplomacy as the result of lessons learned from 9/11

The second source of inspiration for ‘transformational diplomacy’ therefore clearly comes from the post 9/11 analysis of security challenges. Starting with the 2002 *National Security Strategy* (NSS), one can find numerous statements that emphasise the transition from a Cold War and post-Cold War world, in which the reigning paradigm was that of inter-state competition, to that of a ‘post 9/11’ world, in which the greatest perils come from the conjunction between terrorism and weapons of mass destruction, and especially from failed states. The 2002 NSS could not be clearer on this point: ‘America is now threatened less by conquering states than we are by failing ones.’¹⁹ It is therefore necessary to try to wipe out lawless areas, ‘grey areas’, including through development aid:

‘The events of September 11, 2001, taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states. Poverty does not make poor people into terrorists and murderers. Yet poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders.’²⁰

This new world view, however, only reaches full maturity a few years later, after the interval of the Bush doctrine, once the illusion was dispelled that a change of the *status quo* in the Middle East and the holding of elections would make security problems disappear

18. Condoleezza Rice quoted in Harris, ‘New Order’, *Government Executive*, August 2006, vol. 38, no.13, pp. 30-8; available at <http://www.govexec.com/features/0806-01/0806-01s1.htm>.

19. ‘America is now threatened less by conquering states than we are by failing ones.’ 2002 *National Security Strategy*.

20. *Ibid.*

and lead to the emergence of a more orderly and peaceful world. The administration is progressively rediscovering the need for nation building, stabilisation and reconstruction operations and good governance assistance, and is measuring the consequences for its own organisation. To face the challenges of a new world, the destructive force of the Pentagon and the diplomatic force of the State Department are no longer enough: the power to thoroughly reconstruct is necessary. Or, as Stanley Hoffman put it, ‘hard power’ and ‘soft power’ are not enough and need to be joined by ‘building power’, the power to help others construct their institutions.²¹

This inspiration can be found in Condoleezza Rice’s 18 January 2006 speech on transformation diplomacy (see Annex 1):

‘Technology is collapsing the distance that once clearly separated right here from over there. And the greatest threats now emerge more within states than between them. The fundamental character of regimes now matters more than the international distribution of power. In this world it is impossible to draw neat, clear lines between our security interests, our development efforts and our democratic ideals. American diplomacy must integrate and advance all of these goals together.’

In this paragraph, two points are especially worthy of attention. The first one is the ambition of defining the new international environment in an abstract and general way, by putting it on a theoretical level. The statement that ‘the fundamental character of regimes now matters more than the international distribution of power’²² is an exact counterpoint of the realist theory of international relations, and more specifically of structural realist theory, among whose representatives is Kenneth Waltz, whose starting premise is the non-differentiation of regimes (all states behave in the same way) and the primacy of systemic effects, i.e. the effects of the international distribution of power.²³ Broadly speaking, structural realist theory is not well equipped to take failed state phenomena and grey areas into account. Condoleezza Rice, who one should not forget is a professor of international relations,²⁴ is thereby highlighting her intent to root her diplomacy in an updated vision of contemporary international relations that combines ideological elements (Bush doctrine, democratic peace) and pragmatic elements (the new challenges coming from failed

21. Stanley Hoffmann, ‘The Foreign Policy the US Needs’, *New York Review of Books*, 10 August 2006: ‘But as soon as we turn to other kinds of power—“hard” economic power, which is the power to reward, or bribe, and to coerce; “soft power”; and what I would call “building power,” the power to help others construct their institutions—we see that we live in an increasingly multipolar world’.

22. It should nonetheless be noted that in the 2006 National Security Strategy, which came out some two months later, the theoretical turnaround has been toned down: ‘In the world today, the fundamental character of regimes matters *as much as* the distribution of power among them’ (author’s italics).

23. See Kenneth Waltz, *Theory of International Politics* (New York: McGraw-Hill, 1979).

24. On leave from Stanford University.

states, from terrorism, from the spread of weapons of mass destruction, etc.). 'Transformational diplomacy is essentially about supporting changes within states, not relations among them', explains Stephen Krasner, another academic, former colleague of Condoleezza Rice at Stanford, and one of the main architects of transformational diplomacy. 'It's about the nature of domestic political regimes rather than the international balance of power and that is a very different conceptualization of how we think about diplomacy.'²⁵

Transforming American diplomacy and controlling the bureaucratic phenomenon

But, concretely, how can this be implemented? The second point that should be noted in the 18 January 2006 speech is the operational conclusions drawn by the Secretary of State. If one wants to produce changes in the new security environment, and act more specifically on the '*fundamental character of regimes*', then the lines separating stabilisation, reconstruction and peacekeeping on the one hand from development aid efforts, democratisation and good governance support programmes on the other hand, need to be blurred. In other words, it becomes indispensable to 'align' these different functions. Transformational diplomacy has a clear goal: to reconfigure America's foreign action tools and 'align' them in order to acquire the ability to directly shape regimes and not only influence their international behaviour. This ambition to reform therefore will have an impact, at the very least, on the following areas:

- ▶ The State Department, whose agents must no longer behave only as diplomats, tasked with following the evolution of their host country and negotiating with their counterparts, but also work as 'social engineers' or, rather, as 'good governance engineers', by establishing links with civil societies to help them 'transform' themselves. New international structures might also be put in place, along the lines of the good governance support ideas put forth by the Policy Planning Staff (see Chapter Three);
- ▶ USAID, whose programmes can no longer be restricted to 'pure' development aid while ignoring all political dimensions. These programmes must be reconfigured to serve the transformation

25. Steve Krasner, conference at the Center for Global Development, 20 January 2006. Transcript can be found at <http://www.cgdev.org/doc/event%20docs/Krasner%20Transcript.pdf>.

objectives, in other words integrate far more political and good governance elements. Clearer priorities need to be defined (among other things by creating a so far non-existent budget assessment for each country) and by giving foreign aid clearly defined political goals once again, as it did in its early days during the Cold War;

- ▶ Actors in reconstruction and stabilisation operations (Department of State, Department of Defense, and a very large number of governmental agencies), who need to acquire additional power and, crucially, need to organise themselves in a more rational and sustainable manner in order to avoid a repeat of the disastrous ‘phase IV’ (occupation and reconstruction) in Iraq;
- ▶ Organisations responsible for democratisation programmes (State Department, USAID, National Endowment for Democracy or NED, Defense Department), who must coordinate their programmes.

Finally, if ideological considerations on the one hand, and the new understanding of the international environment on the other, make it possible to explain the appearance of this concept of transformational diplomacy, it must also be understood as a tool for bureaucratic management, as a formula for reforming and rationalising the State Department and USAID. The natural tendency of the American administrative system is proliferation, juxtaposition and disorder. Periodically, liaison and coordination tools need to be introduced, and priorities need to be imposed and, to do so, power must be concentrated ... It is easier to implement such reforms by articulating them around a new coherent security doctrine rather than implement them piecemeal.

With transformational diplomacy, this coherence materialises: in the same way that the tools for American action abroad were rationalised in 1947 by the National Security Act to adapt to the Cold War context, transformational diplomacy offers a framework which allows for a convergence and an alignment of American tools to adapt to the post-9/11 context of the war on terror, and more specifically to favour the emergence of sovereign, strong, and well-governed states.²⁶ With this reform, the resources of diplomacy and especially of foreign aid are more clearly put to work for political objectives – just as they were during the Cold War.

26. Other adaptations have taken place, among which the creation of the *Department of Homeland Security* and the intelligence reform, with the reconfiguration of roles after the creation of the *Director of National Intelligence*.

Transformational diplomacy, a consensual concept in the United States?

It would be an understatement to say that the Bush administration has significantly changed its views on interventions abroad and more generally on what is possible and desirable in terms of action *vis-à-vis* foreign societies: there was a total *volte face* after 11 September 2001. The majority opinion, in the incoming administration in January 2001, is that ‘superpowers don’t do windows’ (John Hillen²⁷), that ‘we don’t need to have the 82nd Airborne escorting kids to kindergarten’ (Condoleezza Rice²⁸), in short that the nation-building and even peacekeeping operations undertaken by the Clinton Administration, in particular in the Balkans, had constituted a strategic mistake because they had weakened the combat readiness of the American armed forces, whose only mission is to be prepared for ‘major wars.’

From 2001 to 2003, the Bush Administration went from one extreme to the other, from an aversion to anything even resembling peacekeeping to the outsize ambition of transforming two societies, Afghanistan and Iraq, whose foundations, what is more, were known to be particularly fragile, into stable democracies – as a prelude, as far as Iraq is concerned, to a reconfiguration of the entire Middle East.²⁹ This turnaround marked the victory of the neoconservative school of thought, confident and optimistic, over the realist vision, cautious and pessimistic. Condoleezza Rice herself is the incarnation of this evolution.³⁰ Having been Brent Scowcroft’s *protégée* and having worked with James Baker from 1989 to 1992, she underwent, under the impact of the events of September 11, an ‘idealist-interventionist’ shift that followed George Bush’s shift, step by step ... before returning, starting in 2005, to an intermediate position that expresses itself in transformational diplomacy. Instead of launching an all-out crusade to democratise the world as quickly as possible, less ambitious programmes are preferred: consolidation of fragile states, long-term action on civil societies, strengthening of the rule of law via development aid, etc. Wilful ignorance was replaced by utopia; utopia was replaced by a more realistic sense of modesty in terms of what can be achieved.

In short, it took the Bush administration six years to come back to concepts and practices that were, *mutatis mutandis*, those of the Clinton administration at the end of its second term. Promoting

27. John Hillen, ‘Superpowers Don’t Do Windows’, *Orbis*, vol. 41, no. 2, Spring 1997.

28. ‘This comes down to function,’ Ms. Rice said. ‘Carrying out civil administration and police functions is simply going to degrade the American capability to do the things America has to do. We don’t need to have the 82nd Airborne escorting kids to kindergarten.’ Quoted by Michael Gordon, ‘Bush Would Stop US Peacekeeping in Balkan Fight’, *New York Times*, 21 October 2000.

29. See Philip H. Gordon, ‘The End of the Bush Revolution’, *Foreign Affairs*, July-August 2006.

30. See Justin Vaïsse, ‘L’hiver du néoconservatisme’, *Politique internationale*, no. 110, Winter 2006.

democracy – albeit on a less triumphal tone – and nation building had been the hallmarks of Bill Clinton and Madeleine Albright’s diplomacy, especially in 1999 and 2000. They had, it must be said, gone through the opposite evolution from the two Bush administrations: a confused enthusiasm in 1993-1994, followed by a pull-back, and then by progressive rediscovery.

Beyond the significant amount of experience that had then been acquired in peacebuilding and consolidation (by professionals such as James Dobbins and Marc Grossman, for instance) – experience that was deliberately ignored and left aside by the Bush administration when it decided to go into Iraq – there was a strong interest in democratisation and good governance programmes. Around Morton Halperin’s Policy Planning Staff team (on these issues, some of those involved were Penn Kemble and Ted Piccone), at the end of the second term, ideas very close to those which underlie transformational diplomacy had been developed:

- focus on strengthening a few key states in their respective regions, considered to be fragile – Nigeria, Colombia, Indonesia, a group to which Madeleine Albright had added Ukraine – and which received special attention (an interagency process to focus political attention on those countries);³¹
- support for NGOs and dissident groups (Otpor in Serbia);
- or, of course, the ‘Community of Democracies’ project in 1999-2000.

Numerous scholars, on the Democratic side, continue to work on these topics (Ivo Daalder and James Lindsay on the Community of Democracies, or their updated proposal of a ‘Concert of Democracies’, for instance³²), and some have even seen their ideas ‘stolen’ by the Bush administration (Ken Pollack and Ron Asmus on the ‘Greater Middle East’, for instance³³). In short, there are no fundamental disagreements between the current team and moderate Democrats on the starting hypotheses for transformational diplomacy, and most of the changes that go with it.

From a certain angle, administrations, be they Republican or Democratic, all seem to succumb to the ‘calls to empire’³⁴ that come their way, and arrive at the same unavoidable conclusion: to answer the challenges of the new international context, it is necessary to intervene directly upon States and regimes; in the long

31. The attention lavished on Ukraine may have, years later, played a part in paving the way towards the Orange Revolution, through the efforts of NED (NDI and IRI) but also those of the embassy (more personnel), of NGOs encouraged to go to the Ukraine, etc.

32. See for instance James Lindsay, Ivo Daalder, ‘An Alliance of Democracies’, *Washington Post*, 23 May 2004, and for the updated version: ‘Democracies of the World, Unite’, *The American Interest*, vol. 2, no. 3, January-February 2007 – see also G. John Ikenberry and Anne-Marie Slaughter, *Forging a World Under Liberty and Law: US National Security in the 21st Century* (Princeton Project on National Security: September 2006).

33. Ronald D. Asmus and Kenneth M. Pollack, ‘The New Transatlantic Project’, *Policy Review* no. 115, October 2002.

34. See Ghassan Salamé, *Appels d’empire : Ingérences et résistances à l’âge de la mondialisation* (Paris: Fayard, 1996).

term, only the spread of democracy and good governance will make it possible to positively answer security challenges. And that implies, for the government of the United States, acquiring capabilities that are nothing short of colonial.

Reforming the State Department: from a diplomatic tool to a transformational tool

If threats to the security of the United States now come from within States rather than from their foreign policy, then nation building and good governance aid become more important than diplomacy. As a result, the work of diplomats is being redefined. That is exactly what transformational diplomacy implies. According to Philip Zelikow, former special advisor to Condoleezza Rice:

‘You need a diplomatic corps that’s not just watching, observing and reporting, but a diplomatic corps that is helping with local partners to actually make change happen on the ground. What does that mean? That means things like advising them on how to build a better court system, on how to build a stronger border security system, on how to train their police.’³⁵

In her speeches of 18 and 19 January 2006 (see Annexes 1 and 2), Condoleezza Rice emphasised this aspect: more and more, Foreign Service Officers (FSOs) will have to work in the field, in direct contact with civil society in new major cities, and not only in contact with their counterparts in the capital of the country in which they are posted. They will work on ever more varied tasks, in particular in the area of reconstruction and stabilisation, side by side with American troops. And if they want to advance in their careers, they will have to serve in – and no longer just apply for – ‘hardship posts’ such as Iraq, Afghanistan, Sudan, or Angola. To do so, they will receive special training that will turn them into not only specialised political analysts but also into programme managers able to help citizens of other countries, on the ground, to consolidate the rule of law, improve their health system or their educational system.

‘If I go to our embassy in Kyrgyzstan, as I recently did,’ explained Condoleezza Rice in her speech of 19 January 2006, ‘they are working directly with people on educational programs, they are working directly with people on democracy promotion

35. Philip Zelikow in ‘Rice pushes more hands-on role for US diplomats’, *All Things Considered*, NPR, 7 November 2005.

programs. And I think we have to recognise the changing nature of what our diplomats do. Our diplomats, of course, continue to report on the policies of a country, of course continue to try and influence governments, but they also engage the citizenry much more directly'.³⁶ On 21 March 2007, in her address before the House Appropriations subcommittee to present the International Affairs FY 2008 budget, she insisted: 'We're asking our civilians to do far more than manage the existing international order these days. We are charging them with helping foreign citizens and their governments to literally transform their countries, to move them toward peace, freedom, prosperity and social justice.'³⁷

This determination to 'operationalise' the State Department is matched by an ambitious geographic adaptation of American diplomatic deployment throughout the world to take into account recent demographic and political evolutions. At the end of the Second World War, the Department of State increased its presence in Europe and in Asia, and increased the training of its staff; it also contributed to nation-building efforts in Japan and Germany. At the end of the Cold War, it opened fourteen new embassies in Central and Eastern Europe and reassigned about a hundred diplomats, with a special focus given to strengthening democracy and the freemarket economy in those countries.

It is the same adaptation to a new geopolitical context that Condoleezza Rice intends to implement today – benefiting, it must be said, from Colin Powell's efforts during the first term. He had managed to create no less than 2,000 new positions for American diplomacy, of which 1,000 diplomat positions (Foreign Service Officers – FSOs) as part of the *Diplomatic Readiness Initiative*. In her 18 January 2006 speech, the Secretary of State noted that the State Department has as much personnel in Germany (population: 82 million) as it does in India (population: over one billion), and that 200 cities in the world with more than a million residents exist in which the United States has no diplomatic presence whatsoever. She therefore intends to redeploy about a hundred postings from Europe and Washington towards countries such as China, India, Nigeria, and Lebanon: this is the *Global Repositioning Initiative*. Among the first decisions that have already been implemented, 15 new positions have been redeployed to the embassy in China, 12 new positions to the embassy in India, 5 new ones in Jakarta, and, all in all, 74 new posts had been created by mid-2006. As a result, 61 posts have already been axed: 10 in Russia, 7 in Ger-

36. Condoleezza Rice, speech of 19 January at USAID (question and answer session), cf. Annex 2.

37. International Affairs FY 2008 Budget, speech by Secretary Condoleezza Rice before the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs, Washington, D.C., 21 March 2007. Available at <http://www.state.gov/secretary/rm/2007/mar/82015.htm>.

many, 2 or 3 in Belgium, Poland, Italy, Spain, Japan, and Brazil.³⁸

In a second step, Condoleezza Rice wants Congress to create 100 additional positions in 'key transitional countries,' for a total cost of \$23 million.³⁹ More importantly, she intends to also carry out other large-scale geographic redeployments, for up to a third of all 11,000 FSO positions.⁴⁰ Among the innovations announced in the 18 January speech, two seem particularly interesting:

- ▶ the 'American Presence Post'. An experienced diplomat will be chosen to live and work outside the embassy, in a large developing city, without local staff or consular assignments. This system is currently being tested in Alexandria (Egypt) and Medan (Indonesia);⁴¹
- ▶ probably less groundbreaking, the 'Virtual Presence Post' will use the Internet to communicate formally with a given 'community' (a large city, a region, for instance) via a specially created website, and accompanying this with regular visits from the embassy personnel coming from the capital, and occasional public diplomacy initiatives.

In the 2007 budget proposal that she submitted to Congress, Condoleezza Rice asked for no less than \$102.8 million to implement this aspect of transformational diplomacy: the redeployment of diplomats, the creation of regional 'public diplomacy' centres to strengthen the United States' influence and communication capabilities, the multiplication of 'American Presence Posts' and 'Virtual Presence Posts' mentioned earlier, training diplomats for more operational tasks and in 'new' languages (Mandarin, Arab, Farsi, Urdu, etc.), practice working with the Pentagon and other federal agencies, etc. The responsibility of developing new courses for the continuing education of American diplomats falls to the Foreign Service Institute, which is the continuing education institute for American diplomats. The themes selected are democratisation, control of epidemics, promotion of human rights, the fight against corruption, counter-terrorism and the rule of law. The Institute is also putting together, starting in late 2006, a long-distance course on the concepts of transformational diplomacy, as well as a practical manual for diplomats currently on assignment.

How can this first component of transformational diplomacy be assessed? First of all, we should note that it includes several commonsense evolutions and several administrative measures

38. Julian Borger, 'New Diplomatic Priorities Offer Snapshot of Changing World Order', *The Guardian*, 4 March 2006.

39. See Condoleezza Rice, 'Realizing the Goals of Transformational Diplomacy', *Testimony Before the Senate Foreign Relations Committee*, 15 February 2006. Available at: <http://www.state.gov/secretary/rm/2006/61209.htm>.

40. An 'Advisory Committee on Transformational Diplomacy' made up of experts from the private sector and the academic world regularly meet to advise the Department of State on these geographic repositioning issues and also on public diplomacy and on better use of information technology. Cf. 'State Department (DOS) (F.R. Page 56211) holds a meeting of the Advisory Committee on Transformational Diplomacy', *The Washington Daybook*, 11-12 October 2006, State Department. ('The Committee is composed of a group of prominent Americans from the private sector and academia who provide the Department with advice on its worldwide management operations, including structuring, leading, and managing large global enterprises, communicating governmental missions and policies to relevant publics, and better use of information technology').

41. The original idea for an *American Presence Post* came from Felix Rohatyn, former American ambassador to France. From a legal standpoint (Vienna Conventions), the APP is viewed as a consulate.

that seem self-evident, such as geographic redeployment – a measure of rationalisation and good management which hardly needs to be packaged in terms of the concept of ‘transformational diplomacy’, except perhaps in order to increase the odds of obtaining Congressional funding. From Great Britain to India, other countries are adapting their own networks,⁴² and what remains to be seen is the extent to which the redeployment envisioned by the Secretary of State will in effect take place. Other developments are even more dictated by necessity: in Kabul, just as in Baghdad, Americans have had no choice but to strengthen their capabilities, and diplomats have had to get directly involved in governing those countries – in the direct management of certain ministries, for example. Here, transformational diplomacy corresponds to a reality that has been in place for several years (i.e., a situation of quasi-colonial management), and the rationalisation comes after the fact.

However, the idea of making the work of FSOs more operational, more turned towards civil society and good governance, runs up against four obstacles.

- D First, that of security: the ‘embassy-fortress’ syndrome has gained ground, as threats to the safety of diplomats have increased, especially in those locations where, paradoxically, they are being called to act in the field, in contact with civil society (the Middle East, East Africa, South Asia). Otherwise, an increased protection of all American agents will be needed, as it is for the Provincial Reconstruction Teams (PRTs) made up of several dozen people, who must sometimes be protected by 200 Marines ready to intervene.

Andrew Natsios, former director of USAID, emphasises that the origin of this problem is not 11 September 2001, but 7 August 1998, with the Al Qaeda attacks against the American embassies in Nairobi and Dar-Es-Salam that led to a whole series of reforms aimed at drastically strengthening the security of all American embassies around the world. ‘Midlevel diplomats and aid officers who were supposed to spend their days interacting with the societies in which they served were more handicapped by the new security measures than ambassadors and AID mission directors, who usually had security details at their command. For aid officers who previously had done much of their work in the countryside, this meant fewer and fewer opportunities to build the relation-

42. For Great Britain, see Julian Borger: closing of offices in Port Vila (Vanuatu), Nuku'alofa (Tonga), Tarawa (Kiribati), Maseru (Lesotho), Mbane (Swaziland) and Antananarivo (Madagascar) in order to make up the cost of, among other things, the increase in security expenditures and the reopening of the embassies in Baghdad, Kabul and Pyongyang. For India, see Nilova Roy Chaudhury, ‘More Missions Coming’, *Hindustan Times*, 22 October 2006; for France, see the *Rapport d'information de la Commission des Finances, de l'Économie générale et du Plan* introduced by Éric Woerth and Jérôme Chartier after the research done by the ‘Mission d'évaluation et de contrôle sur les services de l'État à l'étranger’ (5 July 2006), which mentions the model of transformational diplomacy and recommends that the adaptation of the French representation network be speeded up by 3. Report available at <http://www.assemblee-nationale.fr/12/rap-info/i3255.asp>.

ships with local leaders and communities that underpin development work and ensure that US-funded projects respond to local needs. It meant less chance to see firsthand what was happening in out-of-the-way regions, and to adapt programs to changing local realities.⁴³

To reduce exposure to danger, one of the solutions selected has been to keep diplomats in their posts for shorter periods of time, and without their families. But this type of measure brings with it negative consequences in terms of the possibility of conducting ‘transformative’ action. A report from the State Department Inspector General came to the conclusion that the overly rapid rotation of personnel in Pakistan had led to ‘a lack of continuity in leadership, program management and contacts’.⁴⁴ In Riyadh as well, this rapid rotation has revealed itself to be disastrous both for the quality of work done and management follow-through.⁴⁵ What is evident here is the recognition of a fundamental contradiction between the ambition of ‘transforming’ a country, which implies working over the long term, and the short term careers of our times – French or British administrators and colonial officers certainly did not leave their assigned countries at the end of one year. How can you claim to develop relationships of trust with a society that knows you will leave in under twelve months and never come back?

■ The second possible obstacle to this increasing ‘operationalisation’ of diplomats’ work could come from opposition from FSOs, for various reasons. They have pointed out that, despite the problems mentioned above, they have indeed been leaving their offices for years, often endangering their safety, in order to be in direct touch with foreign societies, and that there is not much room for manoeuvre left in this area, unless they are to no longer carry out any of the diplomat’s traditional functions.⁴⁶ After all, even if new funds are made available, an enormous part of an American diplomat’s job is to handle visa requests, a decidedly non-‘transformational’ task that is unlikely to disappear soon.⁴⁷

The problem is that the means available to FSOs, especially when compared to those of the Pentagon, are far too small to seriously focus on transformative action: According to Barbara Bodine, former ambassador to Yemen, ‘Our posts in the developing world are almost impossibly small ... We don’t have the people; we

43. Andrew Natsios, ‘American Fortresses – It’s hard to carry out our foreign policy from behind thick concrete walls’, *The Weekly Standard*, 22 May 2006.

44. Quoted in Shawn Zeller, ‘Transforming Diplomacy at State’, *Foreign Service Journal*, July-August 2006.

45. Julian Borger, op. cit.

46. ‘Transforming Diplomacy at State’, *Foreign Service Journal*, July-August 2006.

47. Remarks by former ambassador J. Anthony Holmes (President of the *American Foreign Service Association*), in ‘Rice pushes more hands-on role for US diplomats’, *All Things Considered*, NPR, 7 November 2005.

don't have the resources.⁴⁸ This is even more true, say diplomats, now that USAID, which had significant experience with managing programmes in the field and 'transformational' action, has seen its means considerably reduced over the course of the 1990s, and has lost much of its experience, having to rely more and more on subcontractors (see Chapter Three). In the end, many fear the dilution of the State Department's 'diplomatic culture' into an overly broad and vague conception of tasks assigned to diplomats abroad, a little like American troops, who fear they will have to go from being soldiers to being full-time peacekeepers and nation-builders.

- Third obstacle: there is an unrealistic, 'Alice in Wonderland' side to the ambition of transformational diplomacy understood as in-depth transformation of the governance of weak countries. Why would the Angolese, for instance, take American advice on reshaping their educational system or their programmes to fight against AIDS? Why would Indonesians listen to American diplomats' advice on how to reform their judicial system? Not only are these incredibly complex fields, but these are areas where the sovereignty of states is directly involved. And, even if many States are suffering, *de facto*, from a lack of sovereignty in many fields, they generally still have enough left to reject foreign interference.⁴⁹
- Finally, initiatives that promote contact with civil societies risk being often limited by similar political considerations: will American diplomats really involve themselves in the creation of an opposition union or even of a simple consumers' association, will they even be able to officially support a NGO that would do so?⁵⁰ That would be to overlook the backlash against democratisation initiatives that has been seen over the past few years in many regimes throughout the world, especially following the 'colour revolutions'.⁵¹

In this context, it is clear why the second component of 'transformational diplomacy' has so much to do with an area in which there is direct interaction with foreign societies: development aid.

48. Barbara Bodine, former ambassador to Yemen, quoted in Harris, 'New Order', *Government Executive*, August 2006, vol. 38, no.13, pp. 30-38, available at <http://www.govexec.com/features/0806-01/0806-01s1.htm>.

49. Anthony Holmes, *ibid*.

50. In 2005, China worried about the fact that American influence had increased in central Asia, including through some NGOs working in favour of the emergence of independent media. On this topic, see Li Lifan and Liu Jinqian, 'L'échiquier stratégique des O.N.G. américaines en Asie centrale', *Guoji wenti yanjiu*, no. 6, December 2005.

51. Thomas Carothers, 'The Backlash Against Democracy Promotion', *Foreign Affairs*, March-April 2006.

Development aid – the second component of transformational diplomacy

Why is American development aid in crisis?

During the Cold War, when it was born, American development aid policy possessed a strong coherence that derived from the fight against communism. Basically, it was about promoting economic development and prosperity of European societies, and later of Third World societies, in order to reduce the appeal of communist ideology and the threat of revolution. But it was also, in a more direct way, about buying influence, prestige, permission to establish military bases, or offering military assistance to allied countries – be they democratic or not – in their efforts to battle insurrections or communist infiltration.⁵²

At the end of the Cold War, with the victory against the Soviet empire, American development aid lost its ballast and went into crisis. Without an overarching policy line, ‘priorities’ for development aid have multiplied, to such a point that there are currently no less than fifty-odd ‘strategic objectives’ written into law.⁵³ A number of them are inherited from the history of recent decades:

- traditional development aid (education, agriculture, etc.) decreasing in recent years (except for certain health issues), a budget defended by the NGOs, companies, and consultants specialised in this area;
- support for the Camp David Accords and the peace process (beneficiaries: Israel, Egypt, Jordan, the Palestinian Authority). In this way, since 1979, Egypt has regularly been the second largest recipient of American aid after Israel, receiving about \$2 billion a year. The pro-Israel lobby in Washington are the strongest proponents of this budget;
- support for the transition to democracy in Eastern Europe and in the former USSR – which has decreased over the last few years;
- support for the Northern Ireland peace process, of a low and also decreasing amount, benefiting from the support of the Irish-American lobby in Washington;

52. The following considerations are largely based on Larry Nowels, Connie Veillette and Susan Epstein, Foreign Operations (House)/State, *Foreign Operations and Related Programs (Senate): FY2007 Appropriations*, CRS Report for Congress, p. 7-8.

53. See ‘Transforming Foreign Aid for the 21st Century: New Recommendations from the Brookings-CSIS Task Force – A Brookings-CSIS-Center for U.S. Global Engagement Briefing’, available at <http://www.brook.edu/comm/events/20060622.htm>. See Lael Brainard (ed.), *Security by Other Means. Foreign Assistance, Global Poverty, and American Leadership*, Washington D.C., Brookings Institution Press and the Center for Strategic and International Studies, 2007.

- democratisation and stabilisation operations in countries in crisis, such as Bosnia, Haiti, Rwanda, Kosovo, Liberia, and Sudan;
- war on drugs operations, especially in Columbia;
- the fight against AIDS, whose budgetary advocates include, but are not limited to, the pharmaceutical lobby;
- aid to strengthen the defence capabilities of allied countries, the budget for which is notably advocated by the weapons industry;
- and, of course, since 9/11, support for the war on terror, the budget for which has increased substantially (see below).

The net result is that American foreign assistance is a large patchwork made up of multiple accounts, and amounting to over \$23 billion, of which, in 2006, some \$16.6 billion went to bilateral non-military aid of all kinds (actual 'development' for reducing poverty, education, healthcare, fight against drugs, direct budgetary assistance, etc.), \$5 billion for military assistance, and \$1.6 billion for multilateral aid.⁵⁴

To make matters worse, the list of strategic objectives introduced above shows the heavy – and incoherent – weight of Congress on this issue. This is true on both a large scale (AIDS, follow-up of Camp David, etc.), and on a much smaller scale, with the 'earmarking' phenomenon, through which elected officials garner support from this or that segment of their constituency by requiring executive agencies to disburse funds in this country or for that programme, in particular to benefit certain NGOs, or even some private companies located in the home state or district of a specific senator or representative.⁵⁵ USAID asserts that up to 90% of its programmes are thus 'geared towards' a country or type of action, leaving it with no scope for manoeuvre in its management. In truth, earmarks can be more or less specific ('hard earmarks' and 'soft earmarks'): a number of them do leave a certain amount of leeway to the implementing agency. But there is no doubt that this phenomenon increases the incoherence of American action abroad, making it virtually impossible to rationalise, to designate priorities and a clear policy line.

Lack of strategic choices in the objectives, lack of coherence in the political process: duplication and even competition are not rare occurrences in American aid programmes. As a logical consequence of the globalisation and internationalisation of their activities, numerous executive agencies, more than 15 in total, have set up their own aid programmes, in addition to those of the

54. The budget of the Department of State, including diffusion programs and participation in international organisations, comes to about \$11 billion.

55. For instance, if a university has a research centre on Afghanistan, the Senator representing the state where the university is located can insert a subsidy into the finance bill to help support the activities of that centre. He could insert it into the 'USAID' section, without giving USAID any say in the matter.

State Department and USAID: the Department of Energy, the Department of Commerce, etc. – and this does not include participation in multilateral efforts. This duplication can be seen, for instance, in the case of programmes to fight against drugs: on the Pentagon side, there is the DoD Counterdrug Program, and on the State Department and USAID side, there are the International Narcotics, Crime, Law Enforcement (INCLE) and the Andean Counterdrug Initiative (ACI). Another example would be military assistance: on the Pentagon side, there are the Train and Equip, the Loans on Defense Articles, the Warsaw Initiative Fund, the Coalition Support Fund programmes, and on the State Department side, the very important Foreign Military Financing (FMF).

The most obvious symptom of the problems American foreign aid is experiencing is probably the crisis affecting USAID. This independent agency, founded by the Foreign Assistance Act of 1961 and put into place two months later, was created with the objective of rationalising the supplying of development aid by the very numerous agencies that had proliferated since World War II. Its dual mission of development aid and promotion of American interests in the bipolar contest during the Cold War has generally been deemed efficient and useful. But, starting in the 1990s, development aid budgets went down significantly (from about \$23 to barely \$15 billion between 1991 and 1998) and the Republican Congress elected in 1994 has sought to eliminate the agency.⁵⁶ USAID has been at the centre of a power struggle between the State Department and Republican elected officials, in particular the ultra-conservative Senator Jesse Helms (North Carolina), who has made this a personal issue. A compromise finally emerged at the end of the 1990s: USAID was saved but its remit was reduced, it had to come back within the State Department fold, and had to take on private sector methods. USIA and ACDA, also being fought over in the same power struggle, were not as lucky: they were swallowed up by the State Department.⁵⁷ Nevertheless, USAID had to close 24 field offices between 1993 and 1997 and reduce its personnel by 40% between 1992 and 1999 (from 11,150 to a little over 7,000).

As a logical consequence of the downgrading of its remit, USAID is no longer primarily an operational agency but a clearinghouse. The majority of its funds (90%) are subcontracted to NGOs or private companies and consulting firms, often better

56. Roger Bate, 'The Trouble With USAID', *The American Interest*, vol. 1, no. 4, Summer 2006.

57. USIA: *United States Information Agency*; ACDA: *Arms Control and Disarmament Agency*.

versed in the bidding process for USAID contracts than in providing development aid. Since it can no longer lobby Congress directly, USAID now largely depends on its 'partners', i.e., its contractors, who have become its real constituency, to convince senators and representatives that it should be funded.

These operational problems are heightened by two phenomena. On the one hand, the loss of availability – and thus of experience – of USAID operatives, who no longer have the time to do their monitoring job as well as they once did: the number of monitoring studies dropped from 529 in 1994 to 167 in 2004. On the other hand, the requirement that they 'buy American' increases operational costs and pushes out most local operatives, who are often more experienced and less expensive.⁵⁸

Above all, the weakening of USAID has gone hand in hand with the creation, over the past few years, of new entities such as PEPFAR (President's Emergency Plan for AIDS Relief), and particularly the MCC (Millennium Challenge Corporation), both discussed below. In other words, the logic of rationalisation of foreign aid actors that prevailed in 1961 to the benefit of USAID has been completely abandoned. It would be an understatement to say that USAID is no longer the main actor of American foreign assistance. One only needs to look at where the money is being spent:⁵⁹

Budget line	2006 Budget	2007 Request
USAID – budget for development	\$3 billion	\$2.7 billion
USAID – including operational expenses and emergency humanitarian aid budget	\$4.3 billion	\$4 billion
Millennium Challenge Account (MCA)	\$1.75 billion	\$3 billion
Global HIV-AIDS Initiative / PEPFAR	\$2 billion	\$2.8 billion
Other foreign assistance budgets	\$16.3 billion	\$15.2 billion
Total 'Foreign Operations'	\$23.1 billion	\$23.6 billion

It should be noted that the total cost of the United States' presence in Iraq (military deployment, stabilisation, reconstruction, development aid) by mid-2006 came close to \$2 billion a week.⁶⁰ USAID's own budget therefore is equal to less than three weeks of American operations in Iraq, at the 2006 spending rate.

58. For instance, see Celia Dugger, 'U.S. Jobs Shape Condoms' Role in Foreign Aid', *New York Times*, 29 October 2006.

59. NB: amounts have been rounded off. Sources: USAID website and Larry Nowels, Connie Veillette and Susan Epstein, *Foreign Operations (House)/State, Foreign Operations and Related Programs (Senate): FY2007 Appropriations*, op. cit., note 52.

60. By aggregating all of the spending lines, it comes to \$308 billion total expenditures (for Iraq only, without factoring in Afghanistan) in 170 weeks, i.e., over \$1.8 billion a week (see http://nationalpriorities.org/index.php?option=com_wrapper&Itemid=182). The congressional unofficial estimate, for its part, is of \$1.5 billion a week. The cost is much higher if future expenditures (veterans and their medical bills) and budget shortfalls are taken into account. See notably Joseph Stiglitz and Linda Bilmes, *The Economic Cost of the War in Iraq*, paper presented for the ASSA meetings, Boston, January 2006, available at http://www2.gsb.columbia.edu/faculty/jstiglitz/cost_of_war_in_iraq.pdf#search=%22cost%20of%20war%20in%20iraq%22.

Terrorism, democracy and AIDS: the policy directions of the first Bush administration

The Bush administration, when it came to power, shared Republican ideological prejudice towards USAID and more generally towards government-financed development aid. As a result, it tried, on the one hand, to reorient the philosophy and implementation of this aid, in particular by creating the Millennium Challenge Account to avoid ‘throwing money down rat holes’, in the oft-quoted words of former Senator Jesse Helms. On the other hand, after 9/11, it found itself searching for cooperation tools in the war on terror. As early as 2002, the State Department began justifying its foreign assistance budget through the war on terror, by putting the monies given to 28 states on the ‘front lines’ of the war on terrorism in the same column. While they were at it, reconstruction and stabilisation aid for Afghanistan and Iraq (in amounts far higher than all other aid combined) were justified in the same way.

This process is reminiscent of the Cold War: helping other countries develop both to keep them from ‘producing’ terrorists or from being too weak to stand up to terrorist networks,⁶¹ and to co-opt them, to ‘buy’ them – all the while regilding, in the eyes of the general population, the image of the United States (e.g., providing aid after the tsunami or the earthquake in Pakistan). Hence the direct aid for key coalition countries, in particular for those 28 countries ‘on the front lines of the war on terror’: \$52.3 billion in four years (2002-2006) for budgetary aid, antiterrorism training programmes, but also for the reconstruction of Iraq and support for neighbouring countries. All in all, 43% of all ‘foreign operations’ budget appropriations over the past five years have financed the war on terror and the war against Iraq.⁶²

A typical example: Pakistan. This country was no longer eligible to receive development aid (except for humanitarian assistance) because of the sanctions imposed after the May 1998 nuclear tests, the 1999 military *coup*, and the appearance of arrears in the debt owed to the United States. But these sanctions were put on hold in October 2001, and Islamabad received over \$3.3 billion from Washington over the following four years. Afghanistan, Jordan, and Indonesia are among the other main recipients of this aid linked to the war on terrorism, which makes up about 29% of the total provisional 2007 American foreign assistance budget.

61. Another line of reasoning exists, though it is rarely invoked. It would be to use prosperity and progress in good governance to push back corruption and improve public services to keep Islamic organizations from making inroads that would enable them to legally take power, through the ballot box (Egypt, The Palestinian Authority, Lebanon.)

62. Larry Nowels, Connie Veillette and Susan Epstein, op. cit.

Main recipients of American aid (in current millions of dollars)⁶³

In order of amount requested for 2007		2003 Total	2004 Total	2005 Total	2006 Total	2007 (Requested)
1	Israel	3,682	2,624	2,610	2,495	2,460
2	Egypt	2,204	1,865	1,822	1,780	1,758
3	Afghanistan	543	1,799	2,674*	977*	1,124*
4	Pakistan	495	387	688	754	738
5	Colombia	602	574	569	577	561
6	Jordan	1,556	560	659	512	457
7	Iraq	2,485	18,439	28*	1,650*	771*
8	South Africa	73	99	155	226	360
9	Kenya	59	85	162	226	320
10	Nigeria	73	80	136	182	320
11	Ethiopia**	56	74	135	177	284
12	Uganda	70	113	170	189	233
13	Sudan**	27	171	377	388	206
14	Zambia	57	82	132	162	190
15	Haiti**	35	102	150	183	164
16	Tanzania	41	59	109	135	190
17	Indonesia**	132	123	140	143	154
18	Mozambique	55	60	84	114	157

* The numbers for Afghanistan and Iraq do not include the 2005 (\$6.9 billion for support for the security forces of both countries), 2006 (\$4.3 billion) and 2007 (between \$2.5 and \$4 billion) supplementals. Military assistance programmes have traditionally been managed by the State Department, while the Pentagon implemented them. Starting in 2005, Congress transferred the management of these funds to the Pentagon, while requiring the Secretary of State to give her approval to decisions made by the Department of Defense. This funds have therefore gone from the Foreign Operations budget account to the Defense Department budget and do not appear in this chart.

** The amounts indicated in this chart do not include multilateral emergency humanitarian aid; in some cases, in particular for countries labelled with two stars, the total amount of American aid is much higher, for instance for Sudan.

Beyond this redirection of foreign assistance towards the goals of the war on terror, the Bush administration has launched two important initiatives in recent years. The first focuses on the health sector (AIDS and malaria): in 2003, President Bush announced the PEPFAR programme (President's Emergency Plan For AIDS Relief) which purports to be the most important effort ever launched to fight a pandemic, with an announced budget of \$15 billion over five years (in real terms, this has amounted to about \$8 billion actu-

63. Source: Ibid.

ally spent, including in multilateral initiatives, for the years 2004, 2005, and 2006, which remains a considerable sum). The management of these funds is mainly the responsibility of the ‘U.S. Global AIDS Coordinator’, directly appointed by the president and working alongside the Secretary of State – in other words, outside of USAID. However, President Bush’s June 2005 initiative to fight malaria (President’s Malaria Initiative, or PMI), with a planned expenditure of \$1.2 billion over 5 years, is the responsibility of a coordinator within USAID.

But the most important programme launched by the Bush Administration in the area of development aid is the Millennium Challenge Account (MCA), announced in March 2002 and financed starting in 2004. Reflecting the ideological preferences of conservatives and Republicans, the MCA aims to massively help a few well-governed countries, selected on the basis of objective criteria, in order to make every aid dollar useful and to prevent them from disappearing into corruption circuits. The new programme enjoys considerable privileges: it chooses the countries it focuses on, enjoys a large amount of flexibility in the way it uses its funds (no or very few earmarks) and, most importantly, does not need to retrocede budgetary leftovers at the end of the year. It is administered by the MCC (Millennium Challenge Corporation), which is in fact not a private company – but this term really does reflect the ideological preferences of the administration and the effectiveness which is expected from it.⁶⁴ The president was aiming for a 50% increase in American development aid, that is to say an additional \$5 billion a year, to the benefit of the MCA. In the end, the administration merely asked Congress for \$3 billion a year and only received \$3.7 billion in total, from 2004 to 2006. To top it all off, it appears that the MCC has only managed to spend a small part of that \$3.7 billion, even if the MCC Director claimed that he had committed all his budgets to the end of 2006 and was asking for another \$3 billion appropriation for FY 2007⁶⁵ He got \$2 billion, a significant increase but still short of the \$3 billion goal. At this stage, the MCC has selected 23 countries whose results correspond to its 16 performance indicators in terms of governance⁶⁶ and signed eight ‘compacts’ (Madagascar, Honduras, Cape Verde, Nicaragua, Georgia, Benin, Vanuatu, and Armenia).

What lessons can be learnt from the innovation that is the MCA? Although it has made an increase in American development aid possible, and has represented a welcome experiment

64. The MCC is led by a CEO (‘Chief Executive Officer’) appointed by the President and confirmed by the Senate. It is supervised by a board of directors made up of the Secretary of State, the Secretary of the Treasury, the US Trade Representative, the USAID administrator, and civilian experts.

65. See Condoleezza Rice, ‘Realizing the Goals of Transformational Diplomacy’, *Testimony Before the Senate Foreign Relations Committee*, 15 February 2006. Available at <http://www.state.gov/secretary/rm/2006/61209.htm>.

66. These indicators break down into three categories: rule of law (‘ruling justly’), economic freedom, investing in population. Cf. description in Annex 3.

and innovation in the way foreign aid is carried out, it has nevertheless received its share of criticism. First of all, it is a programme that helps countries that are already doing well – as their eligibility with regard to the performance indicators makes abundantly clear – and has nothing to offer countries encountering major problems or even threshold countries, those that almost fulfill the eligibility indicators. The MCA risks increasing the trend of giving more to mid- to high-income countries (who receive \$10.50 of aid per inhabitant and per year from the United States on average) than to low-income countries (\$3.50).⁶⁷ Currently, Washington provides each Macedonian with \$28 of aid, each Egyptian with \$24, but each Bangladeshi only gets \$0.50 and each Indian \$0.06.⁶⁸

Then, despite the administration's denials, it is obvious that the MCA money has not been entirely added to the development aid budget but has in fact partially reduced other lines in the budget – in the affected countries, the amount spent by USAID has consequently decreased.⁶⁹ But it is mainly its negative effects on the role of USAID that are deplored by numerous observers: instead of being re-stimulated by the increase in the overall development aid budget, the agency has been further marginalised, its field of operations is now defined by default, it is no longer (or less) intervening in the MCA eligible countries, in countries being reconstructed (those come under the purvey of the S/CRS, the Office of the Coordinator for Reconstruction and Development, see below) or as the primary actor in the programmes to fight AIDS. Finally, the MCA is criticised for its lack of coordination with multilateral development aid agencies, specifically in terms of eligibility criteria. This harms the effectiveness of global aid and leads the recipient countries to develop a specific bureaucracy to bring in funds.

But in the eyes of the administration, the MCC has, among other assets, one clear advantage: it is a 'transformational' agency, one that looks at governance conditions in the countries it helps, both upstream – through the selection of candidates via the good governance indicators (laid out in Annex 3) – and downstream, including through the involvement of civil society, consultations with the population, etc.

67. While it is true that Latin America has been on the losing side of recent priority setting, American aid for Africa went up 56% from 2000 to 2004 – which, while high, is not the 'tripling' that George W. Bush had announced shortly before the Gleneagles summit. See Corinne Graff and Susan Rice, 'Can "Freedom Only" Secure Our Future?', *McGill International Review*, Fall 2005.

68. Quoted in 'Transforming Foreign Aid for the 21st Century: New Recommendations from the Brookings-CSIS Task Force – A Brookings-CSIS-Center for U.S. Global Engagement Briefing', op. cit., note 53.

69. Larry Nowels, Connie Veillette and Susan Epstein, *Foreign Operations (House)/State, Foreign Operations and Related Programs (Senate): FY2007 Appropriations*, p. 35, op. cit., note 52.

Transformational diplomacy and the creation of the Director of Foreign Assistance position

When the Secretary of State started using the phrase ‘transformational diplomacy’ in her speeches, it confirmed the policy directions taken by the Millennium Challenge Account. This is hardly surprising considering that those ideas were developed by a small group of advisers (Stephen Krasner, Philip Zelikow, Andrew Nassios, and later Randall Tobias). If the first component of transformational diplomacy – the geographic redeployment of diplomats and the evolution of their mission – was described in the 18 January 2006 speech (see Annex 1), its second component – the evolution of the ways and means and bureaucratic structures of development aid – was described in the remarks of the following day, 19 January 2006 (Annex 2).

‘Foreign assistance is an essential component of our transformational diplomacy. In today’s world, America’s security is linked to the capacity of foreign states to govern justly and effectively. Our foreign assistance must help people get results. The resources we commit must empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people. America’s foreign assistance must promote responsible sovereignty, not permanent dependency.’⁷⁰

There are, in fact, two essential aspects to this ‘development aid’ component: on the one hand, a revamped view of foreign aid philosophy and objectives, that insists on good governance and the taking into account of political considerations; on the other hand, an internal bureaucratic reform to provide the means to implement this vision.

Let us start with the first aspect. We saw (Chapter One) that the adjective ‘transformational’ referred to the inclusion of governance and political factors. ‘Transformational development’ is defined by USAID as a higher ambition than simply improving quality of life. It implies fundamental changes, deep ones, in the governance of a country and in its economic structure, putting it on the track for sustainable autonomous development, having shed the crutches of development aid.⁷¹ That is why Condoleezza Rice describes transformational diplomacy as ‘rooted in partner-

70. Condoleezza Rice, ‘Remarks on Foreign Assistance’, 19 January 2006.

71. ‘Transformational development does more than raise standards of living and reduce poverty. It transforms countries through far-reaching, fundamental changes in institutions of governance, human capacity, and economic structure that enable a country to sustain further economic and social progress without depending on foreign aid. The primary determinants of progress in transformational development are political will and commitment to promote economic freedom, rule justly, and make sound investments in people.’ USAID, ‘Summary of FY 2007 Budget and Program Overview’, document available at: <http://www.usaid.gov/policy/budget/cbj2007/summary.html>.

ship, not in paternalism.’ The political context in which development aid intervenes must be rigorously analysed and, in particular, structural causes of potential instability of a country (ethnic hatreds; problems of non-renewal of elites; etc.) should be identified so that they can be addressed. It should be noted that this attention paid to the political context and to governance as conditions for effective aid follows the lines drawn by multilateral institutions, in particular by the World Bank, starting in the mid- to late 1990s.

A recent and concrete example of this approach can be found in Nepal. In 2005, the American approach (Department of State and USAID) was to support King Gyanendra both politically and materially. Then, as the country sunk into crisis, analysis of the circumstances led to the formulation of the view that the king was in fact part of the problem; and all of the in-country programmes – political support and development aid – were subsequently re-oriented so as to put pressure on him. Finally, Washington redistributed funds from its development assistance budgets (health, education) to support the peace process. More generally, transformational diplomacy logically brings about a redeployment of expenditures from straight-up development to more political concerns (border security, strengthening of police and justice, etc.).

But to do so – and therein lies the second aspect of the question – American foreign assistance tools would need to be used in a coordinated fashion so that they can fulfil more political objectives. Condoleezza Rice’s ambition is to bring an end to the crisis in American development aid described earlier, and that crisis can be summed up by one word: incoherence. The Secretary of State therefore created a new coordination position, that of Director of Foreign Assistance (DFA), who has both the responsibilities of USAID Director and development assistance ‘czar’, with authority over all State Department and USAID programmes and guidance power over the MCA and the Office of the Global AIDS Coordinator. This Director of Foreign Assistance, whose hierarchical status is equivalent to that of a Deputy Secretary of State, has been tasked with creating order in the highly chaotic American development aid world. His main working tool to do so is the Foreign Assistance Framework (see Annex 4),⁷² a grid that must be followed by all.

More specifically, his mission is to find a way to clarify the United States’ assistance policy for each country, including by the

72. Available at: <http://www.state.gov/documents/organization/69012.pdf>.

creation of an extensive indicator for all expenditures and all American programmes (which currently does not exist), a crucial condition to elaborate a global strategy with respect to each country. This strategy, instead of being developed through its own bureaucratic prism, as is currently the case, will adapt itself to the nature of the country at hand. To do this, six country categories have been created:

1. ‘Rebuilding countries’, i.e., countries in post-conflict reconstruction
2. ‘Developing countries’, i.e., low-income developing countries, not yet eligible for the MCA
3. ‘Transforming countries’, i.e., countries undergoing transformation and fulfilling MCA criteria
4. ‘Sustaining partner countries’, i.e., pivotal countries with average or high-average income, for which American support aims to bolster peace and progress (counter-terrorism, drugs, etc.)
5. ‘Restrictive countries’, i.e., countries that restrict access and where serious governance problems exist
6. ‘Global or regional’ is a sixth category making it possible to envision regional or global initiatives, going beyond borders.

The country-by-country strategy will be broken down into five year plans and yearly operational plans. The objective clearly is to get rid of programme duplication and increase the effectiveness of the initiatives that had, until now, been chaotically carried out by Washington. These initiatives must also be organised according to a five-category grid, taken directly from the MCC:

1. Peace and security
2. Governing justly and democratically
3. Investing in people
4. Economic growth
5. Humanitarian assistance.

Announced on 19 January 2006, the position of DFA was filled quickly, and Randall Tobias was confirmed by the Senate on 29 March 2006 (he had to resign abruptly on 27 April 2007). But it should be emphasised that this is only stage one in the Secretary of State’s plans. If this position was created without going before Congress, it is due to a long-term three-step strategy, put together by Condoleezza Rice’s advisers, with regard to Congress:

- Step One: create the DFA position and appoint Randall Tobias.

USAID did not take this reform well, seeing it as another step towards putting it under the control of the State Department, or even another attempt to make the agency fully disappear. In fact, Condoleezza Rice took the initiative to organise an unusual townhall meeting with USAID employees to reassure them, on the very day the creation of the DFA position was announced. She emphasised the fact that the USAID administrator has his offices in the State Department is not new and, on the contrary, his higher hierarchical position will provide the agency with increased importance. Nevertheless: this reform does amount to a 'semi-fusion'.⁷³

- Step Two: internal rationalisation of programmes, implementation of the new grid, shared by the State Department and USAID, organised by type of action and by country (see earlier and Annex 4) to obtain the desired all-encompassing indicator.
- Step Three: in the autumn of 2006, after the midterm elections, intensify discussions with Congress, and present the first results, with the goal of having the following project endorsed at the start of 2007 for fiscal year 2008: a reform of development assistance procedures, with a country by country presentation and the option of making it easier to define adapted strategies. The long-term vision clearly appears to not only serve the purpose of bringing more internal coherence and making development aid programmes better coordinated and more 'political', but also to increase 'external' coherence, to loosen the Congressional earmarking stranglehold by using the assistance indicator for each country. It will, for instance, become difficult for a senator to justify a high subsidy granted to a cultural organisation in his state to act in a given country if the official priority for that country is strengthening the rule of law or improving agricultural productivity. Or, to put it in the very diplomatic terms used in DFA office fact sheet:

'The budgeting practices we are establishing with this reform will provide Congress with more detailed, timely and accurate information. In doing so, Congress will be better positioned to make informed decisions about how their budgeting priorities fit into a comprehensive picture of U.S. government foreign assistance.'⁷⁴

73. 'Transforming Foreign Aid for the 21st Century: New Recommendations from the Brookings-CSIS Task Force - A Brookings-CSIS-Center for U.S. Global Engagement Briefing', op. cit.

74. in 'Frequently Asked Questions About US Foreign Assistance Reform', 15 June 2006, <http://www.state.gov/f/releases/factsheets2006/67947.htm>.

What have been the results of the reforms brought to American development aid through transformational diplomacy? As far as the bureaucratic issue is concerned, although there is no disagreement about the diagnosis of the chaos described earlier, or about the inability of American assistance to serve strategic objectives, and although many observers are delighted with the new DFA position, criticism, and more specifically expressions of scepticism, are in no short supply. The biggest unknown is Congress: many observers doubt members of Congress are really willing to endorse the reform, even if the new November 2006 Democratic majority is less hostile to development aid than the Republican majority was. The cold and sometimes hostile reaction to the presentation of the FY 2008 budget by Randall Tobias before Congress on 8 March 2007, is not very encouraging in this regard. Representative Tom Lantos, the chairman of the House Committee on Foreign Affairs, said Congress was disappointed with the results, and blamed Tobias for ‘making drastic changes under a shroud of secrecy and announcing them only after they were done. (...) Congress has been provided with nothing more than a cursory overview of the fundamental foreign aid restructuring process – mere notification of steps already taken, decisions already made. We are not a potted plant watching the Administration function. We are part of the decision-making process.’⁷⁵ (The reaction to Mr. Tobias’s presentation of reforms underway was more positive the same day in the afternoon, before the House Appropriations Subcommittee on Foreign Operations).⁷⁶ Tobias’s resignation a few weeks later was another setback for the reform.

Few representatives and senators really care about these issues, and many benefit from the current earmark system, which allows them to please some of their constituencies. From a political standpoint, conservative elected officials still dislike development aid, in any way, shape, or form, while some liberal politicians are asking if the reform is not in fact trying to make all development aid disappear and replace it with exclusively political objectives. In short, it is not certain that Capitol Hill has a majority of congressmen and senators willing to defend and support the reform wanted by Condoleezza Rice – even if certain senators are known for their nonpartisan support. In a way, it could be said that the American foreign aid system is indeed broken, but not broken enough for a law of the scope of the Goldwater-Nichols Act of 1986 to be adopted. This Pentagon reorganisation law – the gold

75. Statement of Chairman Tom Lantos at Full Committee Hearing, ‘Foreign Assistance Reform’, House Committee on Foreign Affairs, 8 March 2007. See http://foreignaffairs.house.gov/press_display.asp?id=315.

76. See the report by Sarah Jane Hise from the Center for Global Development at: http://blogs.cgdev.org/globaldevelopment/2007/03/we_are_not_a_potted_plant_cong.php.

standard for bureaucratic reorganisation – had significantly lessened the inter-military rivalry that had led to disasters in Vietnam, or in Iran in 1980, by changing the structure of the military command, especially in a situation of ‘divided government’, i.e. of cohabitation between a Republican executive branch and a Democratic legislative branch.

Other critical or sceptical observers of the ongoing bureaucratic reorganisation highlight its shortcomings: the DFA may have power to ‘set the course’ for the MCA and AIDS and malaria funds, but it does not have ‘authority’ over them. It does not have authority over the Pentagon’s own aid budgets either. And there is no way it could contest the political distribution of ‘foreign aid’ funds to partner countries in the war on terror such as Pakistan and Indonesia, and no way it could challenge the funds appropriated for Israel or Egypt. In short, increased coordination is welcome, but it only applies to a small part of American foreign aid – a part which, when compared to the expenditures for Iraq, is very low. But even this coordination function is criticised. First internally, by employees who feel that, under the cover of unification, the five categories of objectives taken from the MCA have created new ‘stovepipes’, lacking the finesse to adapt to specific situations. Then externally: coordination with other contributors and multilateral organisations remains weak, and that constitutes an obstacle for the overall effectiveness of foreign aid.

One last set of criticisms focuses on the increased politicisation of aid. Transformational development, by putting the focus on governance and politics, raises a host of problems: risk of losing sight of the objectives of ‘pure’ development (agriculture, healthcare, education, poverty etc); risk of a nationalist reaction against a perceived political interference masquerading as development aid (see above); increased loss of neutrality for NGOs working with USAID; etc. More generally, although it is not all that difficult to dig wells and change agricultural methods, focusing on areas related to governance (the justice system, for instance), at the heart of states’ sovereignty, raises far more formidable political and concrete problems. But this is an objection that can be made to the concept of transformational diplomacy as a whole.

Democracy promotion programmes: another pillar of transformational diplomacy

Democracy promotion programmes are of course included in the perimeter of the ongoing reforms at the State Department and USAID. Democratisation, as we have seen, is at the core of the concept of ‘transformation’, even if it goes further than that concept. And Condoleezza Rice systematically mentions democracy and good governance support programmes when she brings up transformational diplomacy. The same mix of ideological evolution over the past few years (elections are not enough) and of the imperative for bureaucratic reforms that exists in the area of development aid can be found here. Closely tied to the foreign aid programmes, democracy-support initiatives therefore will naturally undergo the same alignment initiated by Randall Tobias, the same efforts at creating political coherence – starting with the implementation of the five objectives categories and five countries categories (plus the 6th regional category) grid. Yet here, once again, the diversity of programmes and institutions is such that the ongoing reforms may end up having a limited impact.

It is estimated that the American government currently spends between \$1.4 and 2 billion a year on democratisation support, which represents a significant increase compared with previous years – even if, as we have noted, the Clinton administration had also gone down this road, coming at the end of the second term to conclusions surprisingly similar to those the Bush administration is drawing now (i.e., need for nation building and post-conflict reconstruction, the importance of democracy support, see Chapter One).⁷⁷ But these expenditures are very fragmented, and multiple institutions are working on ‘democratic transformation’ of other countries.

At the Department of State, under the leadership of the Under Secretary of State for Democracy and Global Affairs, Paula Dobriansky (Condoleezza Rice added ‘Democracy’ to her title), the main agency in charge of democratisation efforts is the Office of Democracy, Human Rights and Labor (or DRL), headed by Assistant Secretary Barry Lowenkron – who also covers religious freedom issues. Beyond the public reports it produces (such as the yearly *Country Reports on Human Rights Practices and Supporting Human Rights and Democracy: The US Record*⁷⁸), this Office, which has no personnel in the field, acts through financing short-term

77. Thomas Melia, ‘Toolbox: The Democracy Bureaucracy’, *The American Interest*, vol. 1, no. 4, Summer 2006.

78. See the reports available at <http://www.state.gov/g/drl/hr/>.

democracy promotion programmes (monitoring elections, supporting parliaments, etc.) and in crisis situations. To do so, it has significant sums at its disposal: \$86 million a year, half of it coming from the *Human Rights and Democracy Fund*, established by Congress in 1998, and manages up to \$120 million coming from other budgetary sources.

Beyond its budget, the DRL has important assets that should not be overlooked. Its credit lines are flexible: for instance, it released funds for Nepal in only six weeks, and almost immediately for Lebanon. As a result, it appears as the showcase of transformational diplomacy. Its budget, it should be noted, is not overly burdened by earmarks; and when it is, the earmarks are for countries as a whole, not for specific NGOs or objectives. That being said, one of its problems still remains the obligation of spending 'for' countries such as China, Iran, Syria, and Cuba, where American aid is not authorised; it must therefore work indirectly or in the periphery, on the longer term (support for dissident NGOs, welcoming visitors from that country to the United States, conferences, etc.) The fact remains that the DRL budgets will have to fit into the 'Tobias reform' (grid with 5 or 6 types of countries / 5 objectives, see Annex 4), to increase the global transformative effect of American policies.⁷⁹

But the State Department has other democratisation support programmes that would be difficult to redirect in a flexible manner. This is the case for the SEED (Support for East European Democracy) funds, which support democratic transition in Eastern Europe, and of those tied to the Freedom Support Act (FSA), of transition support for former USSR countries. SEED and FSA are co-managed by the State Department and USAID and represented \$865 million in 2006 (715 requested for 2007). The Special Coordinator for Assistance to Europe and Eurasia, working from the Bureau for European and Eurasian Affairs, has a central role to play here. Looking at the Middle East, the MEPI (Middle East Partnership Initiative) programme, launched in 2002 (approximately \$75 million a year) and the BMENA (Broader Middle East and North Africa Initiative) programme, a multilateral G8 programme launched in June 2004 at Sea Island, all cover the democratisation field.

This plethora of programmes naturally goes beyond the Department of State. USAID, through its Office of Democracy and Governance, its Office of Transition Initiatives, and its

79. On occasion, the DRL will also work for S/CRS, the Office of the Coordinator for Reconstruction and Stabilization described earlier, by investigating human rights in countries undergoing reconstruction.

regional offices, has imposed itself in recent years as the most important actor in the area of democratisation, with a total budget of \$1.3 billion – and claims its precedence and dominant position loud and clear, if only to bring in the funds that go with the new American foreign policy directions.

‘Transformational diplomacy incorporates the goals of the President’s Freedom Agenda, seeking to build and sustain democratic, well-governed states. (...) USAID is the world’s largest democracy promotion donor and the primary U.S. Government implementer of the Freedom Agenda. In most transformational development situations, some democratic progress has been made.’⁸⁰

USAID organises its ‘transformational’ programmes into four objectives: strengthening the rule of law and respect for human rights; promoting elections and more honest and competitive electoral processes; speeding up development of a politically active civil society; and, finally, promoting more transparent governance. All these actions will easily find their place in categories 1, 2, and 3 of the ‘Tobias Reform’ (see Annex 4). But, although all the programmes mentioned earlier, both State Department and USAID, will bear the impact of transformational diplomacy, other programmes and other democracy promotion actors will elude the ongoing reforms, much like the situation in the development aid field.

This will be the case, of course, for the Millennium Challenge Account governance and democracy programmes, over which the Director of Foreign Assistance only has, as previously mentioned, supervisory powers. It will also be the case for the National Endowment for Democracy (NED), a non-governmental agency created by Ronald Reagan in 1983 and which acts through its four branches managed by the Republican and the Democratic parties, unions and business leaders.⁸¹ Although independent, NED draws most of its funds from Congress, to the tune of \$74 million in 2006. While its budget is increasing significantly, some elected officials want to cut it altogether, believing that it would be better spent by governmental agencies directly ... and could thereby also be rationalised into the transformational diplomacy framework.

Within the federal administration itself, other cabinet departments and other agencies have their own democratisation pro-

80. USAID website, ‘Summary of FY 2007 Budget and Program Overview’, <http://www.usaid.gov/policy/budget/cbj2007/summary.html>.

81. The four branches: NDI (*National Democratic Institute*), IRI (*International Republican Institute*), the Solidarity Center (managed by the AFL-CIO), and the *Center for International Private Enterprise* (managed by the *Chamber of Commerce*).

grammes which will elude the ‘Tobias Reform’, starting with the Pentagon (in particular the IMET training programme – International Military Education and Training), but also the Department of Justice, the Labor Department (international programmes on the rights of workers), etc. Finally, numerous NGOs and some consulting firms or private companies (Freedom House, Carter Center, Research Triangle Institute, Chemonics, university centres, etc.) receive American government funds for democracy support, either through the aforementioned agencies or through other institutions: their undertakings will not always be coordinated within the transformational diplomacy framework.

Democratic governance support projects

Around the Policy Planning Staff of Stephen Krasner, who, as mentioned earlier, was one of Condoleezza Rice’s main advisors on these issues until March 2007, the idea of a kind of mechanism or international set-up of governance support, possibly located in one of the major existing international organisations, emerged in 2006. Since this project has still not come to fruition, we are only mentioning it for what it can teach us about transformational diplomacy.

This project organises the convergence of development aid and democracy promotion in the way that, to a certain degree, the Millennium Challenge Account (see above) did, and for which Stephen Krasner was a sort of godfather. To deal with the problems arising out of failed states, democracy in the shape of organising elections is vital, but it is only a starting point, as discussed earlier. In the long term, ‘effective’ democracies rest upon solid institutions, the rule of law, separation of powers, recognised and protected property rights, a free and independent press, civil society organisations, etc. Beyond even these checks and balances, it is essential that the State provide the population with the essential services it needs (security, justice, education, healthcare, etc.). Therefore, to establish and consolidate sustainable democracies, it is necessary to help weak states improve their governance and provide these services. Or, to quote Condoleezza Rice in her address before the House Appropriations subcommittee on 21 March 2007: ‘Democracy is not just the next election; democracy is the development of institutions and it is the ability of democratic countries to deliver for their people.’⁸²

82. International Affairs FY 2008 Budget, speech by Secretary Condoleezza Rice before the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs, Washington, D.C., 21 March 2007. Available at <http://www.state.gov/secretary/rm/2007/mar/82015.htm>.

Hence the idea to bring together a group of countries ready to provide other states – via this international set-up whose exact parameters still need to be defined – with governance services and advice such as training civil servants, identifying good practices, audits, centres of excellence, etc., and perhaps more directly with governance services by public or private entities, as is already the case on an informal basis in many countries. All of this of course while respecting the Secretary of State’s guiding rule: ‘transformational diplomacy is rooted in partnership; not in paternalism. In doing things with people, not for them’ (see Annex 1).

It remains to be seen whether it is indeed possible to escape this substitution effect and help with good governance while avoiding sovereignty and interference problems that, beyond the stated respect for the wishes of recipient countries, could be raised (the failure of the agreement between the World Bank and Chad on the distribution of oil resources is there to remind us of it). In other words, this project, if it does come to fruition, risks reflecting the larger problem of transformational diplomacy, that of the scope of the international community, and especially of the West, to act on other countries by going beyond foreign policy to focus on the very structure of these countries.

Rebuilding a stabilisation and reconstruction tool – the third component of transformational diplomacy

Although geographic redeployment, development aid reform, and the creation of the Director of Foreign Assistance position were announced when the concept of transformational diplomacy was formulated in January 2006, the reform of the stabilisation and reconstruction tool predates that concept. But that does not make it any less closely tied to it: what could be more transformational than the capability to rebuild a war-torn country, and also to democratise a dictatorship that has just been overthrown (Afghanistan, Iraq)? Here we reach the very heart of the Bush doctrine continuum (regime change – democratisation – requirements of nation building – support for good governance and responsible sovereignty). The revamping of stabilisation and reconstruction efforts, started in 2004 with the creation of the S/CRS position (Coordinator for Reconstruction and Stabilisation under the direct authority of the Secretary of State⁸³) thereby naturally found its place under the ‘transformational diplomacy’ label in the Secretary of State’s speeches and initiatives.

The shock of April 2003: from the illusion of spontaneous democracy to the creation of S/CRS

The origin of this reform is perfectly clear: it lies in the resounding failure of ‘Phase IV’ of the intervention in Iraq, i.e., the civilian occupation and reconstruction phase. Countless soldiers have testified along those lines: they were convinced that as the fighting came to an end, teams of civilians would progressively come to help them and then gradually replace them to gently facilitate the transition of Iraqi society from tyranny to democracy. Among so many others, we can quote the testimony of Colonel Chris Conlin from the Marine Corps in Najaf:

83. The ‘S/’ means that the Coordinator works directly for the Secretary of State.

'I was there trying to figure out how we were going to establish political relations with local leaders; how to balance ethnic differences; how to establish a municipal government; how to establish some form of civilian security; how to restart jobs; how to restart services; how to deal with health care issues. I looked at myself in the mirror one day and realized I've never been trained to do this. We were out there with 3,500 troops, and if we had had 5-20 civilians with us to give us these capabilities and understand how to approach these different issues, it would have not only given us a better capacity for a more effective response, it would have allowed us to also focus our attention on things that we in the military knew how to do.'⁸⁴

It was only on 20 January 2003, two months before the invasion started, that President Bush signed Presidential Directive NSPD-24, establishing the framework for the reconstruction of Iraq after the conflict. A very late comer to the planning process, this directive was immediately controversial since, unlike what had become the norm in the 1990s, it tasked the Department of Defense with planning for stabilisation and reconstruction instead of calling on the Department of State – despite the fact that the latter had been working on that issue for close to a year under the auspices of the *Future of Iraq Project*. Today, there is a consensus that the Pentagon was not ready to undertake this complex assignment, and that it went about it with disconcerting amateurism.⁸⁵ President Bush's decision can be explained by his impatience with Colin Powell, whom he had entrusted with the diplomatic management of the Iraqi issue, but who had disappointed him with his lack of results. More generally speaking, the directive reflected two viewpoints specific to the Bush administration:

- on the one hand, the contempt Republicans continued to have for nation building, equating it with typically Democratic and liberal welfare programmes;
- on the other, the illusion that democracy was the norm, the default regime that would naturally implant itself throughout the world provided tyrants were overthrown (see the statements by Dick Cheney or Paul Wolfowitz about the welcome American soldiers would receive, about Iraq's capacity for paying for its own reconstruction, etc.) Paradoxically, the modern aspects of the Iraqi State – a satisfying degree of education, a competent ruling class, a solid administrative structure, etc. – that the Iraqi

84. Quoted in Carlos Pascual, 'Unifying Our Approach to Conflict Transformation', *Remarks at the Association of the US Army Annual Conference*, 4 October 2005, available at <http://www.state.gov/s/crs/rls/rm/54612.htm>.

85. See 'In the Wake of War: Improving Post-Conflict Capabilities', *Report of an Independent Task Force* (William Nash, Mona Suthphen, dir.; Samuel Berger, Brent Scowcroft, chairmen), Council on Foreign Relations, Summer 2005. See: http://www.cfr.org/content/publications/attachments/Post-Conflict_Capabilities_final.pdf. See also Alexandra de Hoop Scheffer, 'L'après-guerre en Iraq : le rôle des militaires au cœur du paradoxe de la stratégie américaine du "shaping"', *Champs de Mars* no 17, La Documentation française, 2005. For an overall perspective, see John Keegan, *The Iraq War* (New York: Knopf, 2004), and Michael Gordon and Bernard Trainor, *Cobra II: The Inside Story of the Invasion and Occupation of Iraq* (New York: Pantheon, 2006).

opposition, Ahmad Chalabi chief among them, were a bit too eager to tout, confirmed their view that a little push was all that was needed for democracy to spontaneously establish itself.

To be fair, shocking though President Bush's attitude of discarding the experience acquired under Clinton in the 1990s (Somalia, Haiti, Bosnia, Kosovo) may be, that same Clinton administration only became competent in this area late in the game: each nation-building operation had its share of problems, but each operation was better organised than the previous one, and, slowly, institutional amnesia – the main scourge in this area – had subsided. In May 1997, Presidential Directive PDD/NSC-56 on *Complex Contingency Operations* had specified the interagency and civilian-military coordination mechanisms: the National Security Council (NSC) Deputies Committee⁸⁶ was responsible for setting up an *ad hoc* executive committee in charge of putting together an integrated political-military plan and doing the follow-through on each operation.

The considerable loss of experience and effectiveness due to the refusal of the Bush administration to take advantage of this legacy led several Senators (notably, Joe Biden, Richard Lugar and John Warner), by mid 2003, after several months of muddled operations in Iraq, to start thinking about an interagency structure for managing stabilisation and reconstruction operations. Since America embarks on a new nation-building venture every 18 months, why not create a permanent coordination structure able to conduct these operations in good conditions? But it was finally the Bush administration itself, faced with the huge scope of problems, that forestalled legislation.

On 5 August 2004, following an April 2004 NSC decision, Colin Powell announced the official creation of the *Office of the Coordinator for Reconstruction and Stabilization* (S/CRS), entrusted to ambassador Carlos Pascual – an office placed within the State Department, right alongside the Secretary of State. Congress endorsed this new office in December 2004 through its finance bill for fiscal year 2005.⁸⁷ Over the course of the following year, President Bush increasingly showed his support for S/CRS. For instance, in May 2005, in front of the International Republican Institute (one of the branches of the NED, see earlier), he spoke of S/CRS as one of the cornerstones of his democratisation policy, thereby implicitly recognising that such a position was sorely lack-

86. i.e. the Committee bringing together the 'Number 2' of the State Department, the Pentagon, the CIA, etc. The Committee is chaired by the NSC 'Number 2'.

87. 2005 Appropriations Law: P.L. 108-447, Sec. 408, available notably at http://clinton.senate.gov/features/darfur/documents/2004.12.08_Consolidated_Approps_Act_2005.pdf#search=%22P.L.%20108-447%2C%20FY05%20Appropriation%2C%20Sec.%20408%22.

ing at the time of the intervention in Iraq. ('We must also improve the responsiveness of our government to help nations emerging from tyranny and war. Democratic change can arrive suddenly – and that means our government must be able to move quickly to provide needed assistance'⁸⁸).

More importantly, at the end of 2005, George W. Bush took two far-reaching decisions.

- On 28 November 2005, he launched the 'DoD 3000.05' initiative (Annex 7), which raises stabilisation missions (and more specifically *Stability, Security, Transition and Reconstruction* or SSTR operations) to a priority rank equivalent to that of combat operations for the Pentagon (see Chapter Five), committing the Department of Defense to transform both administratively and culturally – and giving it in particular the mission to coordinate with S/CRS.
- A few days later, on 7 December 2005, President Bush signed directive NSPD-44 (Annex 8), which cancelled and replaced Clinton's PDD/NSC-56 (see above), set the general framework in which the State Department, and not the Pentagon or the NSC, is the lead agency,⁸⁹ and in which S/CRS's authority and jurisdiction are asserted.

'The United States has a significant stake in enhancing the capacity to assist in stabilizing and reconstructing countries or regions, especially those at risk of, in, or in transition from conflict or civil strife, and to help them establish a sustainable path toward peaceful societies, democracies, and market economies. ... To achieve maximum effect, a focal point is needed ... The Secretary of State shall coordinate and lead integrated United States Government efforts, involving all U.S. Departments and Agencies with relevant capabilities, to prepare, plan for, and conduct stabilization and reconstruction activities.' (see full text in Annex 8).

Finally, in her 18 January 2006 speech (Annex 1), the Secretary of State clearly placed the Office of the Coordinator for Reconstruction and Stabilisation within the framework of transformational diplomacy. Mentioning the challenges of civilian action in operations in Somalia, Haiti, Bosnia, and Kosovo, she highlighted 'the need to enhance our ability to work more effectively at the critical intersections of diplomacy, democracy promotion, economic

88. 'We must also improve the responsiveness of our government to help nations emerging from tyranny and war. Democratic change can arrive suddenly – and that means our government must be able to move quickly to provide needed assistance. So last summer, my administration established a new Office of Reconstruction and Stabilization in the State Department, led by Ambassador Carlos Pascual. This new office is charged with coordinating our government's civilian efforts to meet an essential mission: helping the world's newest democracies make the transition to peace and freedom and a market economy.' See: <http://www.whitehouse.gov/news/releases/2005/05/20050518-2.html>.

89. The directive also sets up an interagency *Policy Coordination Committee*, chaired by the Coordinator but in close conjunction with the NSC, to work on implementing the directive.

reconstruction and military security. That is why President Bush created within the State Department the Office of Reconstruction and Stabilization.’

S/CRS as the ultimate transformational tool: operational principles

To open shop in 2005-2006, S/CRS had to deal with two major challenges. First a timeline contradiction: the office was born out of the sudden realisation that long-term stabilisation and reconstruction capabilities were sorely lacking in the Iraqi context. In other words, it was caught between, on the one hand, the rush to use the new capabilities to remedy the crisis situation as quickly as possible and, on the other, the patient effort needed for institutional construction, the only guarantee for solidity and sustainability. To add to this time paradox, the high hopes and favourable winds that buoyed up S/CRS at its beginnings, in Congress and public opinion – at a time when everyone agreed on the need to strengthen American capabilities in this area – quickly faded as the situation in Iraq deteriorated, to the point that even before it was able to reach its full scope, the value and relevance of such an office was, if not contested, at the very least minimised, the appetite for interventions abroad having considerably receded. Despite support from the President and the Secretary of State in their speeches, S/CRS did not benefit from any meaningful lobbying of Congress (other than that of the military, as we shall see) where the focus, starting in 2004, was not on figuring out how to better conduct stabilisation operations, but on how to avoid doing any.

As a consequence of these two paradoxes, S/CRS was not involved in the major crises (Iraq and Afghanistan) that started just before it was created and were much too large in scale to be handled exclusively by it- which made sense, but deprived it of an opportunity to impose its authority naturally, by showing its usefulness.

As a result, its first steps have been very modest, and of a largely consultative nature. In 2005-2006, S/CRS sent a team to Sudan to evaluate the effectiveness of aid programmes for the Abuja process; it helped organise and monitor elections in Haiti; it undertook an audit of the Provincial Reconstruction Teams (PRT) in Afghanistan; it helped the embassy in Chad with post-conflict

planning; and it sent teams to Lebanon to coordinate mine removal and police support operations, after being denied the right to coordinate the crisis management operations during the July-August 2006 crisis.

The second existential issue S/CRS had to deal with was that of what model it should adopt. Essentially, this office could operate along the lines of one of three models:

- According to a first model, S/CRS could become a vast agency, with several hundred or thousand employees, that would take on responsibility for stabilisation and reconstruction efforts, develop capabilities for all of those missions, and impose itself as a sort of civilian Pentagon, as a colonial office. This model seems to have been in the minds of some decision-makers in 2004.
- According to a second model, S/CRS could become a sort of passive repository for knowledge, experience and skills in nation building, a storehouse for institutional experience acquired in this domain, in short a large resource database that other actors could call upon when they had to conduct reconstruction and stabilisation operations.
- According to a third model, representing the middle way that was finally chosen, S/CRS could become a coordination agency at the centre of the efforts of all the other actors, without taking their places. The role of S/CRS is not only to lead thinking and planning but also to integrate and make all the necessary elements for complex peacekeeping and reconstruction operations, both in Washington and in the field, work together. This setup creates other problems (including authority and influence, and attracting talent) as we will see.

‘Our job,’ explains Marcia Wong of S/CRS, ‘is not to duplicate the work of other agencies nor take their place. Our job is to serve as a force multiplier so that all agencies involved can do their jobs better. In other words, we aim to improve the way our government organizes itself to address the full spectrum of conflict – from prevention to response’.⁹⁰

This choice explains that S/CRS is currently made up of more or less 75 employees (15 permanent positions, 48 contractors, 12 seconded) coming from the State Department, but also from USAID, the Pentagon, the Army, the Army Corps of Engineers, the

90. Marcia Wong, Coordinator for Reconstruction and Stabilization, *Remarks at the 17th Annual NDIA SO/LIC Symposium*, Crystal City, VA, 13 March 2006. <http://www.state.gov/s/crs/rls/rm/63540.htm>.

Department of Justice, the Treasury Department, the Department of Labor, and the CIA (15 additional permanent positions were requested for 2007). S/CRS has four main tasks: watchfulness and early alert; planning; lessons learned and best practices; and, finally, crisis response strategy and integrated resource management.

The S/CRS leadership emphasises the importance of the second mission: although planning is a common practice for the military, it is insufficiently developed on the civilian side⁹¹ – and planning is useful for crisis management, and made easier when the crisis is foreseeable (S/CRS has, for instance, led an exercise on post-Castro Cuba). A great deal of thought about this planning work has led to putting together a concise matrix of all the tasks that may need to be taken up: this is the *Post-Conflict Reconstruction Essential Tasks Matrix*, reproduced in Annex 5. This matrix is interesting not only as an abstract exercise, but also because it offers a shared planning framework for all military and civilian efforts, as well as a way to acquire a ‘common language’ that was previously non-existent.

Since S/CRS is still in its development phase two years after it was created, it is difficult to describe its *modus operandi*. Some projects have been abandoned, others altered along the way. But we can briefly mention on the one hand the three pillars that should ultimately be the backbone of the ‘operational’ functions of the Office (functions which, it should be noted, only represent part of its sphere of activities), and, on the other, the longer-term concepts about which S/CRS is thinking.

- First pillar: an *Active Response Corps* that would be made up of State Department personnel with crisis management training and able to bring their expertise into the field as ‘first responders’ alongside embassy personnel (provided there is an embassy) and especially alongside the troops on the ground. This corps already exists within S/CRS; it is made up of a dozen agents (several are on assignment in Darfur), and the goal is to bring that number up to a hundred or so. The corps would, in a way, be the State Department counterpart of USAID’s DART teams, that are preformed and can be deployed immediately.
- Second pillar: *Advance Civilian Teams* (ACTs), drawn from the ranks of all federal agencies – and no longer from the sole Department of State – and who could be sent into the field to implement the first stages of the plan, in conjunction with the

91. See Carlos Pascual, ‘Unifying Our Approach to Conflict Transformation’, *Remarks at the Association of the US Army Annual Conference*, 4 October 2005, available at <http://www.state.gov/s/crs/rls/rm/54612.htm>.

military. These ACTS are in the process of being set up.

- Third, far more ambitious pillar: the *Civilian Reserve Corps*, a kind of non-military National Guard, made up private sector experts – engineers, technicians, doctors, judges, etc. – trained in the way the Reserves’ ‘weekend warriors’ are, and who could be called up to run the technical aspects of nation-building operations.⁹² The idea would be to have a civilian reserve of about 3,000 people. But so far, this corps has not seen the light of day – \$25 million have been requested to create it in 2007. In the interim, a large database is being put together, the ‘Global Skills Network’, which catalogues and identifies all existing reconstruction and stabilisation contracts, and therefore all purveyors with skills and/or capabilities in this area.

In addition, S/CRS is thinking about other organisational models for the longer term, in particular to improve coordination between governmental agencies. For instance, the *Country Reconstruction and Stabilisation Group* would organize interagency meetings around a Deputy Secretary to focus on a country and guarantee coordination between all relevant actors. At the operational level, the concept of *Civilian-Military Planning Teams* would integrate civilian interagency teams into a regional command (CENTCOM, EUCOM, PACOM, etc.) to work on integrated planning from the very beginning of military preparations for possible action.

Whatever the final organisation of its operational teams may be, S/CRS has emphasised the need to act in a flexible, and more importantly, a fast manner. It is in this hope that it has been asking Congress, for two years now, to fund a *Conflict Response Fund* (\$75 million requested for 2007) that would allow it to intervene at the beginning of a crisis, or even before it happens.

To end this brief description of S/CRS’s activities, let us highlight the careful way in which it seeks to improve coordination in multinational (or even multilateral) operations, that have become the rule rather than the exception. S/CRS is a very active participant in *Multinational Experiments* (MNE), under the leadership of the Joint Forces Command (JFCOM), which aim to build and suggest new coordination mechanisms for peacekeeping, stabilisation, and reconstruction operations undertaken with multiple partners (in a concentric circles pattern: several parts of the armed forces, several agencies, several countries, several multilateral

92. Once deployed, these private individuals become ‘government officials’ for the duration of their service.

organisations). The fourth experimentation cycle, MNE4, took place in spring 2006. Eight countries (the United States, the United Kingdom, France, Germany, Canada, Australia, Finland, and Sweden) took part, along with an observer, NATO. As for the EU and NATO, they were also involved as observers, but only of unclassified efforts. In addition, S/CRS says it is getting ready to work with the new UN Peace Consolidation Commission, to offer it its services ... if American political decision-makers ask it to do so.

Problems, obstacles and criticism: why S/CRS is having a hard time getting off the ground

Beyond the short-term difficulties encountered during its creation (short-term/long-term paradox, ambiguity as to the model it should follow – see above), S/CRS has encountered several political obstacles since it was created, to the point that it has not experienced the fast rise that could have been expected, given the blatant need for its existence. The two most obvious symptoms of this difficult birth are, on the one hand, the somewhat premature departure of its first director, ambassador Carlos Pascual, who only stayed a year and a half in the job (from summer 2004 to January 2006) and was only replaced in May 2006 by another ambassador, John Herbst, who has wide personal experience but who is sometimes described as less well connected with decision-makers, and, on the other hand, very inadequate funding. It is clear that if there had been a desire to create a real stabilisation and reconstruction agency (model 1 in the typology described earlier), a multi-billion dollar budget should have been appropriated. But, even without going that far, the low level of the sums made available for S/CRS denotes a persistent scepticism from Congress (and possibly even from the Secretary of State).

- For fiscal year 2005 – that of its effective creation – S/CRS worked with a total budget of \$12.8 million.
- For fiscal year 2006, the Bush administration asked Congress for \$121.4 million to support reconstruction and stabilisation operations (\$21 million for the operational budget, including personnel, and \$100 million for the aforementioned *Conflict Response Fund*). It only obtained \$16.6 million.
- For fiscal year 2007, the administration is once again asking for

\$20 million for the operational budget and \$75 million for the *Conflict Response Fund*.⁹³

As a result, it is paradoxically the Pentagon that has kept S/CRS afloat, showing the American military's desire to be helped with, if not relieved of, stabilisation and reconstruction tasks in future operations. In her speech of 18 January 2006, Condoleezza Rice announced the authorisation Congress had given the Secretary of Defense to retrocede up to \$100 million to S/CRS over fiscal years 2006 and 2007 in order to support reconstruction and stabilisation operations.⁹⁴

This shortage of funds can be explained by the preferences of Congress – that will be described below – but also by the Secretary of State's lukewarm commitment. 'We have an expansive vision for this new office,' she claimed in her speech on transformational diplomacy (Annex 1), 'and let there be no doubt, we are committed to realizing it.' Yet when Congress refused the requested funds for fiscal year 2006 operations (\$24 million requested), indicating it meant for this money to come out of the State Department's overall budget, the Secretary of State found only \$6.2 million for the S/CRS's efforts.⁹⁵ More generally, we can consider that Condoleezza Rice has invested more political capital, especially in Congress, in the 'development aid reform' component than into the 'reconstruction and stabilisation' component of transformational diplomacy.

Nevertheless, responsibility for appropriating specific funds for each part of the executive, for each executive agency, still lies with Congress, and Congress could have provided S/CRS with a more solid starting base. Congress' reticence to fund the new Office can be explained by several factors.

First, especially as far as the *Conflict Response Fund* is concerned, those who hold the purse strings never like financing projects without knowing exactly where the money is going. This reticence can also be explained by a general prejudice towards the Department of State: Congressmen are (almost) always ready to fund the Pentagon's activities, and are instinctively suspicious of requests coming from the Department of State, which is systematically suspected – especially by Republicans – of ineffectiveness, if not insubordination, when it receives the president's directives. As a result, Carlos Pascual, and now John Herbst, have to lobby Congress accompanied by senior military commanders, who are a

93. See 'An Interview with Carlos Pascual', *Joint Forces Quarterly*, no. 42, 3rd trimester 2006, p.85.

94. Law H.R.1815; Section 1207.

95. In addition to the \$10 million operating and personnel budget.

guarantee of effectiveness for their undertaking. As a matter of fact, today the best advocates for an increase in the power of S/CRS are Iraq veterans, who are the best placed to convince Representatives and Senators of the inanity of the tasks they have to undertake on the ground. The Pentagon is not competing with S/CRS on this, but instead wants to see civilian reconstruction capabilities improve: the greater those capabilities are, the less it will have to do in this area. However, given the limitations of S/CRS, the military has had to take its own measures by speeding up the adaptation and development of their own resources (see Chapter Five).

Beyond the structural preference to fund the Pentagon, another reason explains Congress's lack of eagerness to support S/CRS. If part of the right has had to come around to the need for nation building, the deterioration of the situation in Iraq has made the efforts to adapt stabilisation and reconstruction tools suspect: if the adventurous policies advocated by the neoconservatives are now ruled out, then there is no longer any reason to encourage the creation of a kind of 'colonial office' that would make it easier to envision future interventions. On the left, the same reasoning is going on: the United States' 'imperial' or even 'colonial' behaviour should not be given a bureaucratic foothold.

Nonetheless, the change of majority in Congress is still relatively good news for S/CRS: unless the decision to simply get rid of it – on the basis that it does not work as planned – is made, a hypothesis that cannot be completely ruled out, it is likely that Democrats will want to succeed where George Bush has so spectacularly failed, and provide the country with the stabilisation and reconstruction tool it lacks. John Herbst may therefore find more attentive ears on Capitol Hill in the coming years, and the new Democratic control of the Appropriations Committee – the main sticking point for S/CRS – will in all likelihood make things easier.

In addition to its funding problems, several observers have noted another structural obstacle to S/CRS's effectiveness: its institutional weakness. The logical place for this office, given its strong interagency makeup, would have been the NSC, which would have given it the authority of the White House. In the report written by a group of experts put together by the *Council on Foreign Relations* on this issue in 2005, Ivo Daalder and Susan Rice suggested making the reconstruction and stabilisation coordinator a Deputy National Security Advisor, rather than a mere special advisor to the Office of the Secretary of State.⁹⁶ But it is true also that

96. 'In the Wake of War: Improving Post-Conflict Capabilities', *Report of an Independent Task Force*, op. cit. note 85.

the NSC is not meant to be an 'executing' agency, and S/CRS does a bit more than just coordination.

The fact remains that NSPD-44 (see above), by designating the State Department, and more specifically S/CRS, as the focal point for stabilisation and reconstruction coordination, ignores a well-established reality: other agencies do not like following the State Department's lead, especially when it comes from a small office. In fact, even the geographic desks at the State Department overlap with its field of operations, for instance in Africa.⁹⁷ Despite the interest of the Pentagon in S/CRS's success, an effect of bureaucratic inertia and loss of effectiveness is to be feared. When it comes down to it, George Bush and Condoleezza Rice were trying to make headlines with NSPD-44, without being really ready to support S/CRS with all their hierarchical muscle. Instead of being spontaneously accepted as the centre of the reconstruction and stabilisation system, S/CRS is now forced to take a much less ambitious approach and to try to be accepted on its own terms.

One last critique comes from specialists of reconstruction and stabilisation operations, and in particular James Dobbins.⁹⁸ This respected nation-building expert, currently working at RAND, has denounced the inability to acknowledge and appreciate the valuable contribution made by the UN in this field. According to Dobbins, the UN is the only organisation to have so much experience and success in this area, and for a cost that is generally lower than that of NATO or EU operations. The reluctance to look at the contributions of the multilateral organisation constitutes a handicap for S/CRS, one that risks having repercussions on its ability to work with the newly created UN Peacebuilding Commission. However, through its participation in multinational experiments such as the MNE cycle, S/CRS is familiarising itself and developing ties and working relationships with its multinational partners and UN agencies, and this may lead it to change its own approaches and tools.

Should this slow start of S/CRS lead us to conclude that reconstruction and stabilisation operations are not a priority for transformational diplomacy, even though they are the missing link – both ideological and practical – between regime change and good governance support? Probably not, and for two reasons. First, putting such a coordination structure in place is a lengthy process – and considerable energy is currently being expended by the operations in Afghanistan and Iraq. It seems likely that S/CRS will even-

97. Interview with Derek Chollet, CSIS.

98. Interview with James Dobbins, RAND.

tually find its place in the long term, not as a reconstruction agency but as a facilitator and coordinator of other agencies' efforts. Second, the efforts coming from the Pentagon should be taken into account, efforts which enjoy considerably higher means than S/CRS does: this will be the focus of Chapter Five. And the Secretary of State knows that, when it comes down to it, it is always the military that will be called upon to keep the promises of transformational diplomacy in post-conflict situations. At worst, if S/CRS were to be eliminated by the next Secretary of State or earlier, by decision of Congress, a new structure would probably be created at the Pentagon.

To conclude, it should be noted that S/CRS is not an isolated case: countries such as Canada (with its Stabilisation and Reconstruction Task Force, or START) and the United Kingdom (with its Post-Conflict Reconstruction Unit or PCRU) have equipped themselves with similar interagency civilian-military coordination structures. At the international level, this concern is also at the heart of not only the creation of the UN Peacebuilding Commission but also of the EU's development of its ESDP tools and of the ongoing debates about the role and possible evolution of NATO. All this highlights the fact that, once again, 'transformational diplomacy' is merely a framework and a way of rationalising a pragmatic need, which, in the new geopolitical context, affects all developed countries.

The Pentagon: where the real transformation is taking place?

Strictly speaking, the Pentagon is only indirectly affected by transformational diplomacy, through the increased coordination that is being put in place for stabilisation and reconstruction operations. This is why this chapter will be limited to a brief assessment of some ongoing reforms at the Department of Defense, with two specific objectives. On the one hand, to show that the political impetuses for transformational diplomacy (ideological evolution of the administration and upheavals in the geopolitical context) have also had a notable, and in many ways similar, impact on the Pentagon. On the other hand, to formulate the hypothesis that this impact on the American military could end up being more durable and more significant, in the long term, than the ongoing reforms at the State Department. It may very well be that, ultimately, it will be the armed forces which will deliver on the promises of transformational diplomacy, or at least some of them.

In Pentagon terminology, the concept of ‘transformation’ is not tied to the evolution of the nature of political regimes but to the modernisation of the armed forces towards greater flexibility and greater technological intensity, as mentioned in Chapter One. Following the *Revolution in Military Affairs* (RMA), developed in the 1990s, the idea of transformation was advocated by Donald Rumsfeld as soon as he arrived at the Pentagon. He created an *Office of Force Transformation* to follow through on this idea. The promoters of ‘transformation’ are often frustrated by the frequent reduction of this concept to a shorthand for just more technologically advanced weapons. They emphasise that it is in fact a continuous adaptation effort not only of weaponry but also of the use of forces, of their structure, of the means and types of cooperation with other forces, of military culture, etc. that is conceived in order to more efficiently answer the challenges posed by the new strategic environment.⁹⁹ The fact remains, however, that the heart of ‘transformation’ is technological intensification (missile defence, long-range strike capabilities, C4I, network-centric warfare, space

99. In April 2003, the *Transformation Planning Guidance* document described transformation as ‘a process that shapes the changing nature of military competition and cooperation through new combinations of concepts, capabilities, people, and organizations that exploit our nation’s advantages and protect against our asymmetric vulnerabilities to sustain our strategic position, which helps underpin peace and stability in the world.’

capacities, etc.) and the implementation of new tactics to make the American military 'leaner and meaner.' From this perspective, operations *Enduring Freedom* in Afghanistan and *Iraqi Freedom* in Iraq, implemented in an innovative fashion (less air preparation, fewer men, more speed and accuracy, greater use of special forces) were real-scale tests of Donald Rumsfeld's theories.

Yet, in fact, the 'transformational' – in Department of State parlance – inability of American forces in Iraq after the successful invasion of March-April 2003 was a major blow to the force 'transformation' launched by Donald Rumsfeld. How could the United States continue on the track of high technology and keep investing in new sophisticated weapons systems, for the Navy and especially for the Air Force, when Army infantrymen did not have sufficient armour for their humvees and dozens died each month at the hands of a traditional guerrilla, while at the same time trying to rebuild schools and an electricity network? If, therefore, the growing Iraqi quagmire did not deal it a fatal blow, it at least substantially altered the nature of the 'transformation' sought by the former Secretary of Defense, by redirecting part of the budget meant for futuristic innovations towards the Army, and focusing more on adapting to counter-insurrection, fighting terrorist networks ... and nation building.¹⁰⁰ In the same way, the Air Force has had to downscale its 'high tech' dreams to return to more urgent missions: air-ground operations, strike capacity in urban areas, and more generally improving coordination with the Army.

It was the Army, as well as the Marines, that suffered the brunt of the consequences for the lack of preparation for 'Phase IV' of the occupation (see Chapter Four). As we saw earlier, the privates were convinced that civilian forces would come and relieve them to rebuild a wealthy and stable Iraq. They ended having to lead, on their own, and with a blatant lack of manpower¹⁰¹ the security-building, stabilisation, and nation-building efforts that became more and more difficult and dangerous. Sudden turnarounds took place in the situation in Iraq. For instance, in the space of a few months, the military police, which used to be one of the least appreciated corps in the military, took on vital importance for the future of the country. In the same way, units responsible for civil-military affairs – generally made up of reservists, with little training – saw their role grow in importance and recognition as did, after some time, the trainers of the Iraqi security forces. This situation has deeply impacted on many soldiers and officers. Coming

100. The Army, in order to avoid being on the losing side of ongoing reforms, had jumped onboard the 'transformation' train by modifying its structure to be more easily deployable, by turning its division-based organisation into a flexible brigade-based organisation.

101. One of the consequences of Donald Rumsfeld's theories was bringing the number of men sent into Iraq for the invasion to the lowest number possible. As for the occupation, the Pentagon leadership – and in particular Paul Wolfowitz – had said it could not anticipate requiring more men than had been required for the invasion phase. See James Dobbins, op. cit.; see also Alexandra de Hoop Scheffer, op. cit.

after Afghanistan, they did not understand why this mission was not being conducted by civilians and why they had not received the necessary training for the tasks they were being asked to perform: ordinary soldiers and tank drivers have had to act as mediators, legal experts, police superintendents, technicians, election supervisors, etc. and familiarise themselves with the cultural context on-the-job, through a costly trial and error process – for instance, in terms of their checkpoint methods.

Adapting the Department of Defense to this new reality took some time; but by 2005, and even more so in 2006 when the *Quadrennial Defense Review* (QDR, see above) was adopted, the need to act ‘upon’ the regimes of post-conflict countries and the need for nation building had been accepted and processed. To a certain extent, it could be said that the Pentagon underwent the same ideological and pragmatic adjustment that the State Department did with transformational diplomacy. The latter went from focusing on relations between states to considering governance and the ‘fundamental character of regimes’ because of the shortcomings of the president’s ‘Freedom Agenda’ (holding elections is not enough). The former went from a ‘high-tech’ war between states to a focus on adapting to the grassroots realities of nation building, because of the shortcomings of Rumsfeld’s ‘transformation’ (winning the war is not enough).

One of the most significant end results of the Pentagon’s change of attitude is, undoubtedly, directive DOD 3000.05 (known as ‘DOD 3000’) of 28 November 2005, on ‘Stability, Security, Transition, and Reconstruction Operations.’ It officially takes into account on-the-ground developments in Iraq and Afghanistan since 2003.

‘4.1. Stability operations are a core U.S. military mission that the Department of Defense shall be prepared to conduct and support. They shall be given priority comparable to combat operations and be explicitly addressed and integrated across all DoD activities including doctrine, organisations, training, education, exercises, materiel, leadership, personnel, facilities, and planning.

4.2. Stability operations are conducted to help establish order that advances U.S. interests and values. The immediate goal often is to provide the local populace with security, restore essential services, and meet humanitarian needs. The long-term

goal is to help develop indigenous capacity for securing essential services, a viable market economy, rule of law, democratic institutions, and a robust civil society. (...)

4.4 Integrated civilian and military efforts are key to successful stability operations.’

This short excerpt includes the three ‘revolutions’ brought about by directive DOD 3000. The first revolution: giving stabilisation missions the same level of priority as combat missions, which is a major change. Since the end of the Vietnam War, the Pentagon had been tasked with preparing for war (to be precise: two and a half simultaneous conflicts, since the breakup of the Soviet Union), with destroying as effectively and efficiently as possible, but not with winning the peace and rebuilding countries. Second revolution: the Pentagon must not only prepare to stabilise entire regions and provide emergency humanitarian aid, it must also be able to achieve in-depth nation building and to strengthen all aspects of a country’s governance – transformational diplomacy is not far off. Finally, the third revolution, needed to ensure that the first two are successful: setting up networks with civilian agencies, the first of which is S/CRS (Office of the Coordinator for Reconstruction and Stabilization, see Chapter 4) in the Department of State.

One should not forget that, a few days after directive 3000 was released, George W. Bush signed presidential directive NSPD-44, making the State Department, and more specifically S/CRS, the central instrument of the American government reconstruction and stabilisation efforts (Annex 8). Along the same lines, the process of writing the 2006 *Quadrennial Defense Review* – an official public document submitted to Congress every four years and in which the Pentagon must outline its strategic priorities – was also tinged with the desire to decisively improve the integration with civilian crisis management capabilities (see excerpts of *QDR 2006* in Annex 9). If the time period prior to the intervention in Iraq was a low point in terms of cooperation with the State Department, this should never happen again, and it will even be the Pentagon’s responsibility to support S/CRS if it is not sufficiently powerful:

‘Interagency and international combined operations truly are the new Joint operations. Supporting and enabling other agencies, working towards common objectives, and building the

capacity of partners are indispensable elements of the Department's new missions. (...)

[The Department will] support substantially increased resources for the Department of State's Coordinator for Reconstruction and Stability [sic¹⁰²] and State's associated proposal to establish a deployable Civilian Reserve Corps and a Conflict Response Fund.'

As we saw in Chapter Four, these are not just utopian aspirations: senior military officers have regularly supported S/CRS before Congress, in an attempt to increase its budget, and the Pentagon secured the power to allocate some of its own funds to S/CRS – both through the \$100 million retroceded in 2006 and 2007 and through 'section 1206' (of the defence finance bill) that allows it to spend funds on State Department-defined priorities. Nonetheless, in a way, this situation means that a giant, the Pentagon, is carrying a dwarf supposed to be its leader, S/CRS. But this does not seem to bother the Pentagon, which absolutely insists on strengthening civilian crisis management capabilities, and trying to infuse them with the planning culture they lack, etc. A long-term in-depth effort is in fact being undertaken, within the Department of Defense, to find ways to integrate the new dimensions of cooperation: intermilitary, international, and multilateral – without forgetting NGOs and other private actors. All this is time- and capital- consuming for the Pentagon, but it reveals the depth of the new awareness among the top brass: in the new geopolitical environment, nation building seems inescapable.

In fact, nation building seems so inescapable that the Pentagon is not limiting itself to improving civilian capabilities. Knowing that it regularly finds itself alone, having to handle crisis situations, and that it is also the only agency with truly substantial means at its disposal, it is very actively strengthening its own capabilities so that it will never again be confronted with the situation it faced in Iraq after the invasion – stabilisation and reconstruction with no civilian support and no training, personnel, planning, or procedures. This dynamic seems so powerful that we may wonder if, in the medium term, and given the formidable means available to the Department of Defense, we are not going to witness the emergence of truly 'colonial' capabilities hitherto lacking in the United States (since the military had rejected counter-insurrection and nation-building operations after the Vietnam fiasco).

102. In fact, as seen earlier, it is the Coordinator for Reconstruction and 'Stabilisation'.

Even if the Pentagon's collective culture is averse to it, nation building, requested by the political authorities – even those most opposed to the very premise of nation building – has been increasingly put on the agenda since the end of the Cold War. If such operations are forced upon them, the military will not shirk them; but they feel that they then have the right to appropriate training and resources. There is a strong bottom-up interest in this type of change, and it reinforces the top-down adaptation that has been decided, leading to the conclusion that the trends apparent since 2005 could have far-reaching ramifications. The Department of Defense is an enormous organisation and it takes time for it to adapt in a new direction but, once change has been injected, it ineluctably achieves results. The most frequently quoted example is that of the Goldwater-Nichols Act, that ambitious reorganisation of the Pentagon in 1986 that aimed to make inter-military rivalry disappear and thus develop a spirit of 'jointness' (inter-military coordination) by changing the structure of the military command (see Chapter Three). All is not perfect, but the Goldwater-Nichols Act, two decades later, has largely reached its goals.

One of the effective mechanisms that brought about this reform is the change in career requirements for officers: since 1986, they must have at least one joint command experience if they want to keep getting promoted. This setup has somewhat reduced the importance of the Corps culture, making better coordinated efforts possible. The implementation of DoD Directive 3000 is based upon the same principle and hopes to attain the same results, including in cultural terms, in the areas of 'integrated operations' (joint, interagency, multinational, etc.) and of stabilisation and reconstruction. Troops – including sailors and pilots – will therefore need to speak at least one foreign language, have taken part in one 'integrated operation,' have received nation-building training with meaningful field experience, etc if they want to move up in the ranks. Training programmes are starting to be modified in military academies to include courses related to 'integrated operations', civilian-military work, stabilisation and reconstruction. In short, an army with 'colonial' capabilities is being potentially prepared for tomorrow – in a way, this is a late-coming victory for the neoconservatives over Rumsfeld's vision, and more generally over the vision of much of the military.

Before we try to evaluate the reach and possible limitations of these changes, another aspect of the thinking going on at the Pen-

tagon should be mentioned, an aspect that has striking connections with transformational diplomacy. The great lesson from Iraq is that the military's strategic objectives (vanquishing an enemy) do not coincide with the United States' political objectives in general (putting a stable and democratic regime in place). Firepower, the quality of conventional capabilities and success in the combat phases (namely I, II and III¹⁰³) are now well established, and the focus is now more on two other phases of the *political-military* strategy (and no longer just military), 'phase 0' and phase IV. The phase known as 'zero', in a way prior to the problems, is that of shaping the international context and the choices of other powers in the future. The 2006 *Quadrennial Defense Review* emphasises the need for 'shaping', a concept that has already been around for some time and that refers to the ambition of influencing the strategic environment, the perception and therefore the positions of other powers.¹⁰⁴ Among other things, it means encouraging countries such as China to choose peaceful ways of asserting their power by creating a non-threatening environment, deepening relations with India and other key allies, or, more generally, ensuring security in different parts of the world to keep arms races from developing there.

While developing the concept of 'Phase 0', the Pentagon has been led to look closely at weak and failed states, in short at all parts of the world that may serve as havens for terrorist networks and weapons trafficking and could therefore cause problems. To prevent the multiplication of such grey areas, these regimes must be strengthened and good governance must be promoted – in other words transformational diplomacy must take place. The political planning organ of the Office of the Secretary of Defense (OSD) has thought further about these 'ungoverned and exploitable areas' where governance needs to be strengthened, and its independent conclusions are remarkably similar to those of the Policy Planning Staff team, with its projects for reinforcing governance. The only differences are in the priorities being laid out (especially in areas touching on sovereignty and security for the Pentagon, even if it has a broad outlook) and the choice of countries to help. The Trans-Saharan Counterterrorism Initiative is an example of what has come out of this process: among other things, the focus is on strengthening the capacity of the affected countries to control their territory and borders and to restate their sovereignty in the grey areas. Beyond that, it is their regime as a whole

103. Phase I: preparation for combat. Phase II: early operations, including air strikes. Phase III: the offensive. Phase IV: post-conflict.

104. This is one of this QDR's four priorities, the other three being to vanquish terrorist networks, to defend the homeland, and to keep hostile states and non-state actors from acquiring weapons of mass destruction.

that must be consolidated. Or, to cite the words of the 2006 QDR (see Annex 9):

‘Assistance in today’s environment relies on the ability to improve states’ governance, administration, internal security and the rule of law in order to build partner governments’ legitimacy in the eyes of their own people and thereby inoculate societies against terrorism, insurgency and non-state threats.’

Of course, some observers are sceptical about the true breadth of reforms undertaken at the Pentagon to adapt to the new geopolitical environment – and to draw lessons from the fiasco in Iraq. Improving nation-building capabilities and supporting governance in grey areas will certainly encounter significant obstacles. There is, first of all, a nagging doubt over the operations in Afghanistan and especially in Iraq, intensified by the Democratic victory in the midterm elections: will American troops stay for long more? If they leave, even gradually, the reforms to improve stabilisation and reconstruction capabilities will no doubt be affected, possibly leading to a violent rejection by the military institution of these kinds of operations – as we saw, *mutatis mutandis*, after Vietnam.

Even if troops remain, some doubt the Pentagon’s capacity to take its new missions seriously: high-technology weapons and traditional combat platforms will continue, over the next decades, to be at the centre of the military’s concerns, and to absorb most of the attention and rivalries within the military. According to some specialists, antiterrorist, counter-insurrection and stabilisation operations will remain minor and secondary. Finally, even if American troops remain in Iraq and the political will is there, the Pentagon’s capacity to turn itself into a ‘colonial office’ may be questioned. Here, once again, is a problem already encountered by transformational diplomacy: to know a country, and even more to have the ambition to rebuild it or transform its governance, not only are quality human and professional resources necessary (and yet the recruitment standards for privates remains low, and has even been lowered in recent years) but so is time. What American officer is ready to give up 5 or 10 years of their life rebuilding Somalia? Even if they were passionately committed to such a mission, would the military be ready to recognise their merits?

Conclusion: is transformational diplomacy already outdated?

These closing remarks will not focus on the bureaucratic changes linked to transformational diplomacy at the State Department and, to a lesser degree, at the Department of Defense, but rather on the overall validity of the concept of transformational diplomacy and on the limitations affecting its area of implementation and its future.

First, the effort of American diplomacy to adapt to a new geopolitical context should be commended. It is a well-established attitude in Europe and elsewhere to criticise the United States in a schizophrenic fashion – to blame Americans for their lack of coherence in foreign policy when no overarching principle has been defined, and to castigate the naive simplicity of their slogans compared with the complexity of the world when they dare put forward a coherent vision of contemporary international problems. For the Americans it amounts to a case of ‘damned if we do, damned if we don’t’.

In this context, with transformational diplomacy, Condoleezza Rice can, at the very least, be praised for trying a new reading of international reality, rooted in a clear theoretical position, with an overall strategy for American diplomacy. American diplomacy should be reformed to be able to act not only in the interstate arena to preserve order *between* nations, but also on the nature of the units making up the international system in order to guarantee order *within* nations – since current security challenges come from inside states. The best way to acknowledge the interest and contribution of transformational diplomacy is to discuss its hypotheses and validity.

It seems, at the conclusion of this study, that three main problems exist.

1. The political and theoretical vision underpinning transformational diplomacy has not aged well since the spring of 2003. The first problem comes from Condoleezza Rice’s theoretical understanding of current international relations. Is the ‘funda-

mental character of regimes' really 'as' or even 'more' important than the international distribution of power and the relations that exist between those regimes, as she claims? (18 January 2006 speech, and 2006 *National Security Strategy*). Can the current international system be described as 'a balance of powers that favors freedom'? (2002 *NSS*) The Secretary of State describes a world that has discarded power rivalry, where the only security challenges come from failed states, badly governed areas, and terrorist networks. From a certain angle, this perspective might have seemed valid after the invasion of Iraq, at the moment when American power seemed at its peak.

But, since then, Iraq and the Middle East have sunk into violence, North Korea has openly violated its commitments and threatens stability in North-East Asia, and the states benefiting from the increase in oil prices have reasserted their refusal to comply with American wishes – Iran is asserting its power on all fronts; Russia is leading a containment policy *vis-à-vis* colour revolutions; Venezuela loses no opportunity to challenge the United States, etc. Faced with the shortcomings and failures of the President's 'Freedom Agenda', Washington must put its insistence on democracy on the backburner and return to a more fundamental priority, that of order (this is best seen in countries such as Egypt, Jordan, Syria, etc.) – which tends to prove that the realist paradigm, rather than the alternative offered by Condoleezza Rice, remains the most apt to describe the current international system. To put things in a more picturesque way, Snyder and Mansfield, or maybe Ian Bremmer, must have taken Sharansky's place on the President's and Secretary of State's respective bedside tables.¹⁰⁵ With the rise in power of Iran and the increasing connections between the Middle Eastern crises in the summer of 2006, Condoleezza Rice must dream of a world where the only geopolitical problem would be that of failed states. From a bureaucratic point of view, diplomats and American soldiers probably consider that transformational diplomacy will have to be put on hold for the duration of several rounds of negotiations and several wars; before having time to indulge in this leisurely pursuit, they will have to deal with the inherent emergencies of the current disorders.

2. Internal politics and the external context cannot be separated. By suggesting that the United States should intervene on the character of regimes to make them stronger, better governed and more democratic, Condoleezza Rice is undoubtedly offering a

105. Edward Mansfield and Jack Snyder have challenged the democratic peace theory with the theory that 'young' democracies are prone to war. See Edward Mansfield and Jack Snyder, 'Democratization and War', *Foreign Affairs*, May-June 1995, and 'Prone to Violence: The Paradox of the Democratic Peace', *The National Interest*, Winter 2005-2006. Working on a similar theme, Ian Bremmer developed the idea that the most unstable regimes are not the most autocratic and the most closed off (those were, instead, rather stable) nor of course well-established democracies, but all countries in transition. See Ian Bremmer, *The J Curve: A New Way to Understand Why Nations Rise and Fall* (New York: Simon & Schuster, 2006). Regarding Natan Sharansky, see Chapter One.

recipe for ideal long-term stability – but she is ignoring short-term imperatives, including lessons learned from the efforts to democratise the Middle East over the past few years. The realist paradigm is back here also, in the shape of a reluctance to clearly oppose badly governed and undemocratic regimes if they are crucial allies in the war on terror (Saudi Arabia, Egypt, Pakistan, etc.). In an ideal world, the United States could work only with regimes certified as democratic and ‘healthy’, those of the Millennium Challenge Account programme, for instance (see Chapter Three) – but then how could it claim to tackle the most pressing challenges of the international system, like terrorism and proliferation? In short, ‘transformative’ actions cannot be separated from foreign policy considerations; democracy and better governance cannot be imposed on a country that is also being asked for geopolitical and police assistance.

3. At the beginning of the twenty-first century, interference from outside forces is less welcome than ever. Beyond the issue of strategic objectives, the concept of transformational diplomacy suffers from its somewhat ‘fairytale’ character. Everything is happening as though the Secretary of State had found a new magic formula for the international system: the nature of regimes. But once the theory is spelled out (democratic peace, the virtues of sovereignty and absence of terrorism or grey areas in well-governed countries, etc.), putting it into actual practice is much harder, and it is not certain that much further progress can be made beyond what is already being done – which by the way should not be dismissed. When it comes down to it, the ideal model for transformational diplomacy is Europe’s enlargement process and the way new member countries have integrated European laws and customs, the famous *acquis communautaire*. But this ‘transformation’ of the affected regimes took place in unique conditions (relative economic and social proximity, cultural proximity, strong appeal of Europe, clear economic benefits, etc.) that cannot be replicated.

Transformational diplomacy ignores the complexity of social engineering, and especially the degree of sensitivity of populations around the world to foreign interference: in short, it does not take account of the intensity with which people react in terms of nationalism, antiamericanism, rejection of imperialism, etc. To really act upon the governance of a country, and no longer just upon its agricultural achievements or its educational system, means touching upon essential areas of sovereignty, which can set

off violent reactions in the population concerned. More than half a century after the major anticolonial conflicts, anything that might resemble an overbearing interference from the West, whatever its good intentions may be, is viewed with suspicion. From a certain angle, transformational diplomacy is a step up from the 'democratising' agenda, going from a mechanical vision to an organic vision of foreign societies – but that is exactly where the dilemmas of political action start.

In that case, what is the future of transformational diplomacy, in particular in the new context created by the 2006 midterm elections, which saw American voters clearly denounce the Bush administration's foreign policy? The answer depends in part upon what will happen in Iraq over the next few years. If the situation on the ground does not improve and the prospect of a withdrawal materialises, then we may see, within the American political system, a backlash against interventionism, similar to the neo-isolationist movement that followed the withdrawal from Vietnam in the 1970s. The hypothesis of a strong isolationist trend does not seem credible, given the interpenetrations between America and the world today. But there might, however, be a rejection, both in public opinion and the armed forces, of military interventions abroad in general, and the Powell doctrine might make a comeback.¹⁰⁶ In this context, the different components of transformational diplomacy could be affected, in particular the Office for Reconstruction and Stabilization (S/CRS), which would be seen – partly in error – as belonging lock, stock and barrel to outdated neoconservative utopias. More importantly, in the new climate, the term 'transformation' itself would become anathema, showing too clearly its close ties with the dangerous dreams of George Bush's 'freedom agenda.' In short, transformational diplomacy would no longer be the reference for the reform of the American foreign action tools.

The alternative hypothesis, which this author finds more likely, is that of a survival of transformational diplomacy, and even more of the individual reforms that it covers, no longer fuelled by a creative optimism (acting on the international system and reshaping it, bit by bit) but by the strict geopolitical need whereby the United States finds itself obliged to fill the black holes of the international system. After all, with or without the Iraqi fiasco, the challenges posed by failed states, the failures in sovereignty and the consequences of bad governance remain, and Condoleezza

106. The Powell Doctrine (named after Colin Powell, who developed it), which is somewhat similar to the Weinberger Doctrine, lays out a number of conditions that must be fulfilled before American troops can be sent abroad: American interests must clearly be at stake, political objectives must be well-defined, sufficient means must be made available to attain those objectives ('decisive overwhelming' force), an exit strategy must be prepared before the intervention, and support from Congress and public opinion are indispensable.

Rice has brought a number of interesting answers to these problems. Democrats, as seen in Chapter One, share a number of the premises of transformational diplomacy, and, if the next phases of the Iraqi undertaking are not too catastrophic, there is no reason for them to automatically reject all of the measures put forward by the Secretary of State.¹⁰⁷ What would change, of course, is the connection with the unrealistic optimism of President Bush in 2002-2004, and the general tone of relations between America and the world.

In the final analysis, for all of its shortcomings, its illusions, and weaknesses, transformational diplomacy tries to fill in the blind angle of the realist approach, that of the multiple failings of sovereignty and the challenges that this entails for an international system that, on a daily basis, reveals itself as being more complex than a simple 'game' between states. Even if, with the weakening of the United States after the Iraqi interlude, the realist paradigm becomes once again dominant for both the observer and the political decision-maker, the questions raised by transformational diplomacy will remain topical for America, as they will for other great powers, including Europe.

107. Putting aside some ideological aspects and the reference to the UN, there is, for instance, no fundamental incompatibility between transformational diplomacy and the ideas put forward by Anatol Lieven in his Policy Analysis Brief, 'Failing States and US Strategy', The Stanley Foundation, September 2006, available at <http://www.stanleyfoundation.org/reports/pab06failingstates.pdf>.

Speech by Condoleezza Rice at Georgetown University (Washington, DC) on 18 January 2006 (extracts)

Transformational Diplomacy

(...)

Thank you very much. Thank you President DeGioia for that wonderful introduction. Thank you. Happy for that great start to this session. I'd like to thank the Board of Trustees and say how pleased I am to be here at Georgetown University's distinguished School of Foreign Service. I just have to recognize my friend, Andrew Natsios, who's sitting in the front row, even if he did leave us to come to Georgetown. He said he was doing it because this is an institution that he loves dearly. You've got a fine man and you're going to have a fine professor in Andrew Natsios. Thank you for your service to the country. (Applause.)

I want to thank members of the diplomatic corps who are here and several members of the Administration. I also want you to know that I do know a good deal about Georgetown and it is because this is a fine school of foreign service for which we all owe a debt of gratitude for the people that you have trained, for the people who have come to us in government, for the people from whom I have learned as an academic. This is also a fine university in general, a university that is well known for its dedication to learning, but also its dedication to values and to social justice. And it's also a university that is recovering its heritage in basketball and I look very much forward to this year. (Applause.)

Almost a year ago today in his second Inaugural Address, President Bush laid out a vision that now leads America into the world. 'It is the policy of the United States,' the President said, 'to seek and support the growth of democratic movements and institutions in every nation and culture with the ultimate goal of ending tyranny in our world.' To achieve this bold mission, America needs equally bold diplomacy, a diplomacy that not only reports about the world as it is, but seeks to change the world itself. I and others have called this mission 'transformational diplomacy.' And today I want to explain what it is in principle and how we are advancing it in practice.

We are living in an extraordinary time, one in which centuries of international precedent are being overturned. The prospect of violent conflict among great powers is more remote than ever. States are increasingly

competing and cooperating in peace, not preparing for war. Peoples in China and India, in South Africa and Indonesia and Brazil are lifting their countries into new prominence. Reform – democratic reform – has begun and is spreading in the Middle East. And the United States is working with our many partners, particularly our partners who share our values in Europe and in Asia and in other parts of the world to build a true form of global stability, a balance of power that favors freedom.

At the same time, other challenges have assumed a new urgency. Since its creation more than 350 years ago, the modern state system has rested on the concept of sovereignty. It was always assumed that every state could control and direct the threats emerging from its territory. It was also assumed that weak and poorly governed states were merely a burden to their people, or at most, an international humanitarian concern but never a true security threat.

Today, however, these old assumptions no longer hold. Technology is collapsing the distance that once clearly separated right here from over there. And the greatest threats now emerge more within states than between them. The fundamental character of regimes now matters more than the international distribution of power. In this world it is impossible to draw neat, clear lines between our security interests, our development efforts and our democratic ideals. American diplomacy must integrate and advance all of these goals together.

So, I would define the objective of transformational diplomacy this way: to work with our many partners around the world, to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system. Let me be clear, transformational diplomacy is rooted in partnership; not in paternalism. In doing things with people, not for them; we seek to use America's diplomatic power to help foreign citizens better their own lives and to build their own nations and to transform their own futures.

In extraordinary times like those of today, when the very terrain of history is shifting beneath our feet, we must transform old diplomatic institutions to serve new diplomatic purposes. This kind of challenge is sweeping and difficult but it is not unprecedented; America has done this kind of work before. In the aftermath of World War II, as the Cold War hardened into place, we turned our diplomatic focus to Europe and parts of Asia. We hired new people. We taught them new languages, we gave them new training. We partnered with old adversaries in Germany and

Japan and helped them to rebuild their countries. Our diplomacy was instrumental in transforming devastated countries into thriving democratic allies, allies who joined with us for decades in the struggle to defend freedom from communism.

With the end of the Cold War, America again rose to new challenges. We opened 14 new embassies in the countries of Central and Eastern Europe and we repositioned over 100 of our diplomats to staff them. Our efforts helped newly liberated peoples to transform the character of their countries and now many of them, too, have become partners in liberty and freedom, members of NATO, members of the European Union, something unthought of just a few years ago. And during the last decade, we finally realized a historic dream of the 20th century therefore, a vision of a Europe whole and free and at peace.

In the past five years, it was my friend and predecessor Colin Powell who led the men and women of American diplomacy into the 21st century. He modernized the State Department's technology and transformed dozens of our facilities abroad. Most importantly, Secretary Powell invested in our people. He created over 2,000 new positions and hired thousands of new employees and trained them all to be diplomatic leaders of tomorrow.

Now, today, to advance transformational diplomacy all around the world, we in the State Department must again answer a new calling of our time. We must begin to lay the diplomatic foundations to secure a future of freedom for all people. Like the great changes of the past, the new efforts we undertake today will not be completed quickly. Transforming our diplomacy and transforming the State Department is the work of a generation, but it is urgent work that must begin.

To advance transformational diplomacy, we are and we must change our diplomatic posture. In the 21st century, emerging nations like India and China and Brazil and Egypt and Indonesia and South Africa are increasingly shaping the course of history. At the same time, the new front lines of our diplomacy are appearing more clearly, in transitional countries of Africa and of Latin America and of the Middle East. Our current global posture does not really reflect that fact. For instance, we have nearly the same number of State Department personnel in Germany, a country of 82 million people that we have in India, a country of one billion people. It is clear today that America must begin to reposition our diplomatic forces around the world, so over the next few years the United

States will begin to shift several hundred of our diplomatic positions to new critical posts for the 21st century. We will begin this year with a down payment of moving 100 positions from Europe and, yes, from here in Washington, D.C., to countries like China and India and Nigeria and Lebanon, where additional staffing will make an essential difference.

We are making these changes by shifting existing resources to meet our new priorities, but we are also eager to work more closely with Congress to enhance our global strategy with new resources and new positions.

We will also put new emphasis on our regional and transnational strategies. In the 21st century, geographic regions are growing ever more integrated economically, politically and culturally. This creates new opportunities but it also presents new challenges, especially from transnational threats like terrorism and weapons proliferation and drug smuggling and trafficking in persons and disease.

Building regional partnerships is one foundation today of our counterterrorism strategy. We are empowering countries that have the will to fight terror but need help with the means. And we are joining with key regional countries like Indonesia and Nigeria and Morocco and Pakistan, working together not only to take the fight to the enemy but also to combat the ideology of hatred that uses terror as a weapon.

We will use a regional approach to tackle disease as well. Rather than station many experts in every embassy, we will now deploy small, agile transnational networks of our diplomats. These rapid response teams will monitor and combat the spread of pandemics across entire continents. We are adopting a more regional strategy in our public diplomacy as well.

In the Middle East, for example, as you well know, a vast majority of people get their news from a regional media network like Al Jazeera, not from a local newspaper. So our diplomats must tell America's story not just in translated op-eds, but live on TV in Arabic for a regional audience. To make this happen, we are creating a regional public diplomacy center. We are forward deploying our best Arabic-speaking diplomats and we are broadly coordinating our public diplomacy strategy both for the region and from the region.

Our third goal is to localize our diplomatic posture. Transformational diplomacy requires us to move our diplomatic presence out of foreign capitals and to spread it more widely across countries. We must

work on the front lines of domestic reform as well as in the back rooms of foreign ministries. There are nearly 200 cities worldwide with over one million people in which the United States has no formal diplomatic presence. This is where the action is today and this is where we must be. To reach citizens in bustling new population centers, we cannot always build new consulates beyond a nation's capital.

A newer, more economical idea is what we call an American Presence Post. This idea is simple. One of our best diplomats moves outside the embassy to live and work and represent America in an emerging community of change. We currently operate American Presence Posts in places like Egypt and Indonesia and we are eager to expand both the size and the scope of this new approach.

Perhaps the newest and most cost effective way to adopt a more local posture is through a Virtual Presence Post. Here one or more of our young officers creates and manages an internet site that is focused on key population centers. This digital meeting room enables foreign citizens, young people most of all, to engage online with American diplomats who could be hundreds of miles away. This is a great way to connect with millions of new people across Europe and Asia and Latin America.

In today's world, our diplomats will not only work in different places, they will work in different communities and they will serve in different kinds of conditions, like reconstruction and stabilization missions, where they must partner more directly with the military.

So to advance transformational diplomacy we are empowering our diplomats to work more jointly with our men and women in uniform.

Over the past 15 years, as violent state failure has become a greater global threat, our military has borne a disproportionate share of post-conflict responsibilities because we have not had the standing civilian capability to play our part fully. This was true in Somalia and Haiti, in Bosnia, in Kosovo, and it is still partially true in Iraq and Afghanistan.

These experiences have shown us the need to enhance our ability to work more effectively at the critical intersections of diplomacy, democracy promotion, economic reconstruction and military security. That is why President Bush created within the State Department the Office of Reconstruction and Stabilization. Recently, President Bush broadened the authority and mandate for this office and Congress authorized the Pentagon to transfer up to \$100 million to State in the event of a post-conflict operation, funds that would empower our reconstruction and

stabilization efforts. We have an expansive vision for this new office, and let there be no doubt, we are committed to realizing it. Should a state fail in the future, we want the men and the women of this office to be able to spring into action quickly. We will look to them to partner immediately with our military, with other federal agencies and with our international allies, and eventually we envision this office assembling and deploying the kinds of civilians who are essential in post-conflict operations: police officers and judges and electricians and engineers, bankers and economists and legal experts and election monitors.

Our Reconstruction and Stabilization Office must be able to help a failed state to exercise responsible sovereignty and to prevent its territory from becoming a source of global instability, as Afghanistan was in 2001.

The diplomacy of the 21st century requires better 'jointness' too between our soldiers and our civilians, and we are taking additional steps to achieve it. We for decades have positions in our Foreign Service called Political Advisors to Military Forces, affectionately called POLADS, in our business. We station these diplomats where the world of diplomacy intersects the world of military force, but increasingly this intersection is seen in the dusty streets of Fallujah or the tsunami-wrecked coasts of Indonesia. I want American diplomats to eagerly seek our assignments working side-by-side with our men and women in uniform, whether it is in disaster relief in Pakistan or in stabilization missions in Liberia or fighting the illegal drug trade in Latin America.

Finally, to advance transformational diplomacy, we are preparing our people with new expertise and challenging them with new expectations. I've been Secretary of State for almost exactly one year now, and in that time I have become more convinced than ever that we have the finest diplomatic service in the world. I've seen the noble spirit of that service, a service that defines the men and women of our Foreign Service and Civil Service and our Foreign Service Nationals, many of whom are serving in dangerous places far away from their families.

I see in them the desire and the ability to adapt to a changing world and to our changing diplomatic mission. More and more often, over the course of this new century, we will ask the men and women of the State Department to be active in the field. We will need them to engage with private citizens in emerging regional centers, not just with government officials in their nations' capitals. We must train record numbers of people to master difficult languages like Arabic and Chinese and Farsi and Urdu.

In addition, to advance in their careers, our Foreign Service Officers must now serve in what we call hardship posts. These are challenging jobs in critical countries like Iraq and Afghanistan and Sudan and Angola, countries where we are working with foreign citizens in difficult conditions to maintain security and fight poverty and make democratic reforms. To succeed in these kinds of posts, we will train our diplomats not only as expert analysts of policy but as first-rate administrators of programs, capable of helping foreign citizens to strengthen the rule of law, to start businesses, to improve health and to reform education.

Ladies and gentlemen, President Bush has outlined the historic calling of our time. We on the right side of freedom's divide have a responsibility to help all people who find themselves on the wrong side of that divide. The men and women of American diplomacy are being summoned to advance an exciting new mission. But there is one other great asset that America will bring to this challenge. No, in a day and a time when difference is still a license to kill, America stands as a tremendous example of what can happen with people of diverse backgrounds, ethnic groups, religions all call themselves American. Because it does not matter whether you are Italian American or African American or Korean American. It does not matter whether you are Muslim or Presbyterian or Jewish or Catholic. What matters is that you are American and you are devoted to an ideal and to a set of beliefs that unites us. (...)

***Speech by Condoleezza Rice at USAID
(Washington, DC) on 19 January 2006***

Remarks At the U.S. Agency for International Development On Foreign Assistance

(...)

Thank you very much. Well, first of all, thanks very much for coming out and I hope we can have a good discussion about the changes that are underway and about how we are going to work together to make American foreign assistance even more effective in changing people's lives, in alleviating poverty, in creating the conditions for stable and well-governed states around the world, and in doing so in enhances America's security and America's compassion. And I look forward to that discussion.

I've had an opportunity to thank Andrew Natsios for his fine leadership of this organization. As a matter of fact, I was at Georgetown yesterday sitting right in the front row and he's now a professor. It's quite clear. He told me he's taught his first course. But I want to also thank Fred Schieck. This gentleman has been a core part of my team since I've been here. I see him pretty often at staff meetings. But I want you to know that he has provided excellent leadership and that he has been just a really important part of my core team. And would you just join me in thanking him for his leadership. (Applause.)

As I stand here in this historic building, the building in which the North Atlantic Treaty Organization was created and signed in 1949, I am reminded of how well America has done when it has mobilized all of its resources, all of its assets, in support of its values and its interests. This indeed is where NATO was – where the NATO treaty was signed. And if you look back on those historic times at the end of World War II, they were times of great challenge with a rising Soviet Union, a rising communist China, with a Europe that was still weak and prostrate from World War II, and from just enormous challenges to our values and to our security.

And if you fast-forward to today and you – as I have had the opportunity to do – you sit in the councils of NATO and you look around that table – and it's not just France and Germany and the fact that they will never fight again, something I think that was clearly not to be anticipated in 1949 – but you also look around that table and you have Estonia and Lithuania and Poland and Hungary and you think what a remarkable transition there was in Europe to a Europe whole, free and at peace and

based on democratic values. You just know that despite the fact that we have new challenges in the promotion of those values that we can indeed meet them and that we can make a difference in helping to create a world of well-governed states that will be committed to their people, committed to democracy, committed to bettering the lives of their people. And that's what we want to do with our foreign assistance.

I want to just say that I want to thank each and every one of you for the crucial role that you have played over this last five years of challenge. When we came here in 2001, I doubt that any of us who joined the Bush Administration really thought that we were going to be trying to build democracy in Afghanistan, for instance. We didn't know that the Twin Towers were going to be attacked and the Pentagon. We didn't know the world that we were going to be facing.

But the wonderful thing about this organization, about USAID and about its people, is that you have responded and you have in your own way transformed, and we're now taking another step in making the institution stronger, in aligning it with the State Department. I want to just emphasize a couple things that Fred mentioned. First of all, that USAID is going to remain an independent organization. Anyone who tells you that I once considered that we were going to somehow dissolve this organization, they're just not telling you the truth. It was simply never a consideration for me. I always started from the premise that USAID would stay intact and it will indeed stay intact as an independent organization.

I think that the changes that we announced today will greatly strengthen the role of the Administrator and in dual-hatting that person at State I hope that we will be able to see the best of both worlds. There are many things that State does very well, there are many things that USAID does very well, and I hope that the interchange between those organizations will make us much stronger, make us both much stronger.

I think we will have an opportunity to have strategic country plans that will guarantee that resources will be available for long-term development. I want to be very clear. I consider development to be one of America's most important priorities because our goal ought to be to use our assistance to help people to better their lives, but also to help their governments to be better able to deliver for them. We don't want to create permanent dependencies. We want governments that can actually deliver. And I know you're very involved in capacity building and we need to do more of that. And we're going to work to closer align our budgets and priorities.

The United States is best when it leads both from power and principle. Everybody has concentrated a lot on our power. They very often don't look at what we do in terms of compassion around the world. I want you to know that many Americans do know how gifted and capable you've been as first responders to disasters, to humanitarian situations around the world. But perhaps not enough people know that you've been equally impressive in your grit and determination to apply the hard work that you do to successful development transitions in countries around the world, and I want to applaud that work and see it extended.

Finally, I think that if we keep in mind three very key words we will do our job well.

First of all, we do need to align our priorities and to make certain that we are pulling in the right direction to get the job done.

Secondly, we need to be more effective in the ability to bring all of our assets together and to deliver.

And we need to be good stewards of the American people's money. We've had very major increases in development assistance in this Administration, in fact major increases unseen since the Marshall Plan. We have created the Millennium Challenge Corporation. We have had the PEP-FAR program, the U.S. program for AIDS and HIV. We have doubled our official development assistance around the world, tripled our assistance in Africa. We've made trade preferences possible for the developing world. We've relieved debt for some of the most heavily indebted countries. We have believed in using America's resources to make the world better and safer.

But I want to assure you that it's going to get tougher to get those resources because there are a lot of competing priorities. And what we have to be able to do is to go to the American people – and I want to make a commitment to you, I will go to the American people through the Congress and publicly – and say that we must continue to devote resources to development. We must continue to devote resources to democracy promotion. We must continue to devote resources to poverty alleviation, because, yes, it is consistent with our values and our compassion, but it is also essential to our security. And if we can show that we are good stewards of the American taxpayer's dollar, I believe that we can sustain a course of economic assistance around the world that will serve our interests and our security as well as make life better for people around the world.

So I want to thank you for joining in the changes that we're going to make. I want to thank you in advance for the efforts that you're going to make to make this new organization work. And now I am happy to take your questions.

Indicators of eligibility for the MCA (Millennium Challenge Account) programme

1. RULING JUSTLY

1. **Civil Liberties:** A panel of independent experts rates countries on: freedom of expression, association and organizational rights, rule of law and human rights, and personal autonomy and economic rights. Source: Freedom House.
2. **Political Rights:** A panel of independent experts rates countries on: the prevalence of free and fair elections of officials with real power; the ability of citizens to form political parties that may compete fairly in elections; freedom from domination by the military, foreign powers, totalitarian parties, religious hierarchies and economic oligarchies; and the political rights of minority groups. Source: Freedom House.
3. **Voice and Accountability:** An index of surveys rating countries on: institutions' ability to protect civil liberties, extent of citizen participation in government selection, and media independence. Source: World Bank Institute.
4. **Government Effectiveness:** An index of surveys rating countries on: quality of public service provision, civil service competency and independence from political pressures, and the government's ability to plan and implement sound policies. Source: World Bank Institute.
5. **Rule of Law:** An index of surveys rating countries on: the extent to which the public has confidence in and abides by rules of society; incidence of violent and non-violent crime; effectiveness and predictability of the judiciary; and the enforceability of contracts. Source: World Bank Institute.
6. **Control of Corruption:** An index of surveys rating countries on: the frequency of "additional payments to get things done," the effects of corruption on the business environment, "grand corruption" in the political arena and the tendency of elites to engage in "state capture." Source: World Bank Institute.

2. ECONOMIC FREEDOM

1. **Cost of Starting a Business:** The Private Sector Advisory Service of the World Bank Group works with local lawyers and other professionals to examine specific regulations that impact business investment. One of their studies measures the cost of starting a new business as a percentage of per capita income. Source: World Bank Group.

2. **Inflation:** The most recent 12 month change in consumer prices as reported in the IMF's International Financial Statistics or in another public forum by the relevant national monetary authorities. Source: Multiple.
3. **Fiscal Policy:** Overall budget deficit divided by GDP, averaged over a 3 yr. period. The data is provided directly by the recipient government but is cross checked with other sources and made publicly available. Source: National Governments and IMF WEO.
4. **Days to Start a Business:** The Private Sector Advisory Service of the World Bank Group works with local lawyers and other professionals to measure how many days it takes to open a new business. Source: World Bank.
5. **Trade Policy:** A measure of a country's openness to international trade based on average tariff rates and non-tariff barriers to trade. Source: The Heritage Foundation's Index of Economic Freedom.
6. **Regulatory Quality Rating:** An index of surveys that rates countries on: the burden of regulations on business, price controls, the government's role in the economy, foreign investment regulation and many other areas. Source: World Bank Institute.

3. INVESTING IN PEOPLE

1. **Public Expenditure on Health:** Total expenditures by government at all levels on health divided by GDP. Source: National Governments.
2. **Immunization:** The average of DPT3 and measles immunization rates for the most recent year available. Source: The World Health Organization WHO.
3. **Public Expenditure on Primary Education:** Total expenditures by government at all levels on primary education divided by GDP. Source: National Governments.
4. **Girls' Primary Completion Rate:** The number of female students completing primary education divided by the population in the relevant age cohort. Source: World Bank and UNESCO.

New foreign assistance framework*

As of July 11, 2006 – FOREIGN ASSISTANCE FRAMEWORK

Goal	"Helping to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system."					End Goal of US Foreign Assistance	Graduation Trajectory
	Peace and Security	Governing Justly and Democratically	Investing in People	Economic Growth	Humanitarian Assistance		
Objectives	FIMF, IMET, ESF, INCLE, NADR, PKO, ACI, FSA, SEED	DA, SEED, FSA, DF, ESF, INCLE, IO&P, ACI	DA, TI, CSH, ESF, IDFA, IO&P, GHAI, Title II	DA, TI, ESF, SEED, FSA, IO&P, Title II	IDFA, MRA, ERMA, Title II		
Accounts within State/USAID			Other USG Agency Contributions				
Foreign Assistance Program Areas	<ul style="list-style-type: none"> > Stabilization Operations and Defense Reform > Conflict Mitigation and Response > Counterterrorism > Transnational Crime > Counter Terrorism > Combating WMD 	<ul style="list-style-type: none"> > Rule of Law and Human Rights > Good Governance > Political Competition and Consensus-Building > Civil Society 	<ul style="list-style-type: none"> > Health > Environment > Education > Social Services and Protection for Vulnerable Populations 	<ul style="list-style-type: none"> > Macroeconomic Foundation for Growth > Trade and Investment > Financial Sector > Infrastructure > Agriculture > Private Sector > Competitiveness > Economic Opportunity 	<ul style="list-style-type: none"> > Protection, Assistance and Solutions > Disaster Readiness > Migration Management 		
Category Definition							
Rebuilding Countries	States in or emerging from and rebuilding internal or external conflict.	Assist in creating and/or stabilizing a legitimate and democratic government, and a supportive environment for civil society and media.	Start or restart the delivery of critical social services, including health and educational facilities, and begin building or rebuilding institutional capacity.	Assist in the construction or reconstruction of key internal infrastructure and market mechanisms to stabilize the economy.	Address immediate needs of refugees, displaced, and other affected groups.	Stable environment for good governance, increased availability of essential social services, and initial progress to create policies and institutions upon which future progress will rest.	Advance to the Developing or Transforming Category.
Developing Countries	States with low or lower-middle income, not yet meeting MCC performance criteria, and the criterion related to political rights.	Support the adoption of policies and programs that accelerate the strengthening of public institutions and the creation of a more vibrant local government, civil society and media.	Encourage the adoption of conducive social policies and deepen the capabilities of key social institutions, which includes establishing the relative roles of public and private sector in service delivery.	Encourage the adoption of conducive economic policies and the strengthening of institutional capabilities in the public and private sectors.	Address emergency needs with a view to reducing the need for future HA by introducing prevention and mitigation strategies.	Continued progress in expanding and deepening democracy, social service delivery through public and private organizations, and policies that support economic growth.	Advance to the Transforming Category.

*set up by the Director of Foreign Assistance Randall Tobias.

Transforming Countries	States with low or lower-middle income, meeting MCC performance criteria, and the criterion related to political rights.	Nurture progress toward partnerships on security and law enforcement.	Provide limited resources and technical assistance to reinforce and consolidate progress to date.	Provide financial resources and limited technical assistance to accelerate the achievement of results.	Provide financial resources and technical assistance to accelerate growth.	Address emergency needs on a short-term basis, as necessary.	Institutions, civil society, and private sector groups flourishing under well-functioning government and economic conditions.	Advance to the Sustaining Partnership Category or graduate from foreign assistance.
Sustaining Partnership Countries	States with upper-middle income or greater for which U.S. support is provided to sustain partnerships, progress, and peace.	Support strategic partnerships addressing security, CT, WMD, and counter narcotics.	Address issues of mutual interest.	Address issues of mutual interest.	Create and promote sustained partnerships on trade and investment.	Address emergency needs on a short-term basis, as necessary.	Continued partnership as strategically appropriate where U.S. support is necessary to maintain progress and peace.	Continue partnership or graduate from foreign assistance.
Restrictive Countries	States of concern where there are significant governance issues.	Prevent the acquisition/proliferation of WMD, support CT and counter narcotics.	Foster effective democracy and responsible sovereignty. Create local capacity for fortification of civil society and path to democratic governance.	Address humanitarian needs.	Promote a market-based economy.	Address emergency needs on a short-term basis, as necessary.	Civil society empowered to demand more effective democracies and states respectful of human dignity, accountable to their citizens, and responsible towards their neighbors.	Advance to other relevant foreign assistance category.
Global or Regional	Activities that advance the five objectives, transcend a single country's borders, and are addressed outside a country strategy.							Determined based on criteria specific to the global or regional objective.

S/CRS List of essential tasks for post-conflict reconstruction ('Post-Conflict Essential Tasks Matrix')

(Office of the Coordinator for Reconstruction and Stabilization, Washington, DC, 1^{er} avril 2005)

I Security

- Disposition of Armed and Other Security Forces, Intelligence Services and Belligerents
- Territorial Security
- Public Order and Safety
- Protection of Indigenous Individuals, Infrastructure and Institutions
- Protection of Reconstruction and Stabilization Personnel and Institutions
- Security Coordination
- Public Information and Communications

II Governance and Participation

Governance

- National Constituting Processes
- Transitional Governance
- Executive Authority
- Legislative Strengthening
- Local Governance
- Transparency and Anti-Corruption

Participation

- Elections
- Political Parties
- Civil Society and Media
- Public Information and Communications

III Humanitarian Assistance and Social Well-Being

- Refugees and Internally Displaced Persons (IDPs)
- Trafficking in Persons
- Food Security
- Shelter and Non-Food Relief
- Humanitarian Demining
- Public Health
- Education

Social Protection
Assessment, Analysis and Reporting
Public Information and Communications

IV Economic Stabilization and Infrastructure

Economic Stabilization
Employment Generation
Monetary Policy
Fiscal Policy and Governance
General Economic Policy
Financial Sector
Debt
Trade
Market Economy
Legal and Regulatory Reform
Agricultural Development
Social Safety Net

Infrastructure
Transportation
Telecommunications
Energy
General Infrastructure
Public Information and Communications

V Justice and Reconciliation

Energy
Interim Criminal Justice System
Indigenous Police
Judicial Personnel and Infrastructure
Property
Legal System Reform
Human Rights
Corrections
War Crime Courts and Tribunals
Truth Commissions and Remembrance
Community Rebuilding
Public Information and Communications

2006 National Security Strategy (16 March 2006 – extracts)

Extract 1

1. Transformational Diplomacy and Effective Democracy

Transformational diplomacy means working with our many international partners to build and sustain democratic, well-governed states that will respond to the needs of their citizens and conduct themselves responsibly in the international system. Long-term development must include encouraging governments to make wise choices and assisting them in implementing those choices. We will encourage and reward good behavior rather than reinforce negative behavior. Ultimately it is the countries themselves that must decide to take the necessary steps toward development, yet we will help advance this process by creating external incentives for governments to reform themselves.

Effective economic development advances our national security by helping promote responsible sovereignty, not permanent dependency. Weak and impoverished states and ungoverned areas are not only a threat to their people and a burden on regional economies, but are also susceptible to exploitation by terrorists, tyrants, and international criminals. We will work to bolster threatened states, provide relief in times of crisis, and build capacity in developing states to increase their progress.

2. Making Foreign Assistance More Effective

The Administration has created the new position of Director of Foreign Assistance (DFA) in the State Department. The DFA will serve concurrently as Administrator of U.S. Agency for International Development (USAID), a position that will continue to be at the level of Deputy Secretary, and will have, consistent with existing legal requirements, authority over all State Department and USAID foreign assistance. This reorganization will create a more unified and rational structure that will more fully align assistance programs in State and USAID, increase the effectiveness of these programs for recipient countries, and ensure that we are being the best possible stewards of taxpayer dollars. And it will focus our foreign assistance on promoting greater ownership and responsibility on the part of host nations and their citizens.

With this new authority, the DFA/Administrator will develop a coordinated foreign assistance strategy, including 5-year, country-specific

assistance strategies and annual country-specific assistance operational plans. The DFA/Administrator also will provide guidance for the assistance delivered through other entities of the United States Government, including the MCC and the Office of the Global AIDS Coordinator.

To ensure the best stewardship of our foreign assistance, the United States will:

- Distinguish among the different challenges facing different nations and address those challenges with tools appropriate for each country's stage of development;
- Encourage and reward good government and economic reform, both bilaterally and through the multilateral institutions such as international financial institutions, the G 8, and the Asia-Pacific Economic Cooperation (APEC);
- Engage the private sector to help solve development problems;
- Promote graduation from economic aid dependency with the ultimate goal of ending assistance;
- Build trade capacity to enable the poorest countries to enter into the global trade system; and
- Empower local leaders to take responsibility for their country's development.

Our assistance efforts will also highlight and build on the lessons learned from successful examples of wise development and economic policy choices, such as the ROK, Taiwan, Ireland, Poland, Slovakia, Chile, and Botswana.

Extract 2

At home, we will pursue three priorities:

- **Sustaining the transformation already under way in the Departments of Defense, Homeland Security, and Justice; the Federal Bureau of Investigation; and the Intelligence Community.**
- **Continuing to reorient the Department of State towards transformational diplomacy**, which promotes effective democracy and responsible sovereignty. Our diplomats must be able to step outside their traditional role to become more involved with the challenges within other societies, helping them directly, channeling assistance,

and learning from their experience. This effort will include:

- Promoting the efforts of the new Director for Foreign Assistance/Administrator to ensure that foreign assistance is used as effectively as possible to meet our broad foreign policy objectives. This new office will align more fully the foreign assistance activities carried out by the Department of State and USAID, demonstrating that we are responsible stewards of taxpayer dollars.
 - Improving our capability to plan for and respond to post-conflict and failed-state situations. The Office of Reconstruction and Stabilization will integrate all relevant United States Government resources and assets in conducting reconstruction and stabilization operations. This effort must focus on building the security and law enforcement structures that are often the prerequisite for restoring order and ensuring success.
 - Developing a civilian reserve corps, analogous to the military reserves. The civilian reserve corps would utilize, in a flexible and timely manner, the human resources of the American people for skills and capacities needed for international disaster relief and post-conflict reconstruction.
 - Strengthening our public diplomacy, so that we advocate the policies and values of the United States in a clear, accurate, and persuasive way to a watching and listening world. This includes actively engaging foreign audiences, expanding educational opportunities for Americans to learn about foreign languages and cultures and for foreign students and scholars to study in the United States; empowering the voices of our citizen ambassadors as well as those foreigners who share our commitment to a safer, more compassionate world; enlisting the support of the private sector; increasing our channels for dialogue with Muslim leaders and citizens; and confronting propaganda quickly, before myths and distortions have time to take root in the hearts and minds of people across the world.
- **Improving the capacity of agencies to plan, prepare, coordinate, integrate, and execute responses** covering the full range of crisis contingencies and long-term challenges.
- We need to strengthen the capacity of departments and agencies to do comprehensive, results-oriented planning.

- I Agencies that traditionally played only a domestic role increasingly have a role to play in our foreign and security policies. This requires us to better integrate interagency activity both at home and abroad.

Abroad, we will work with our allies on three priorities:

- D **Promoting meaningful reform of the U.N.**, including:
 - I Creating structures to ensure financial accountability and administrative and organizational efficiency.
 - I Enshrining the principle that membership and participation privileges are earned by responsible behavior and by reasonable burden-sharing of security and stability challenges.
 - I Enhancing the capacity of the U.N. and associated regional organizations to stand up well-trained, rapidly deployable, sustainable military and gendarme units for peace operations.
- D Ensuring that the U.N. reflects today's geopolitical realities and is not shackled by obsolete structures.
- D Reinvigorating the U.N.'s commitment, reflected in the U.N. Charter, to the promotion of democracy and human rights.
- D **Enhancing the role of democracies and democracy promotion throughout international and multilateral institutions**, including:
 - I Strengthening and institutionalizing the Community of Democracies.
 - I Fostering the creation of regional democracy-based institutions in Asia, the Middle East, Africa, and elsewhere.
 - I Improving the capacity of the U.N. and other multilateral institutions to advance the freedom agenda through tools like the U.N. Democracy Fund.
 - I Coordinating more effectively the unique contributions of international financial institutions and regional development banks.
- D **Establishing results-oriented partnerships** on the model of the PSI **to meet new challenges and opportunities**. These partnerships emphasize international cooperation, not international bureaucracy. They rely on voluntary adherence rather than binding treaties. They are oriented towards action and results rather than legislation or rule-making.

DOD Directive 3000-05
(28 November 2005 – extracts)

Department of Defense

Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations

References:

- (a) Sections 113 and 153 of title 10, United States Code
- (b) Strategic Planning Guidance, Fiscal Years 2006-2011, March 2004
- (c) DoD Directive 1322.18, 'Military Training,' September 3, 2004
- (d) DoD Directive 8910.1-M, 'DoD Procedures for Management of Information Requirements,' June 30, 1998

1. Purpose

This Directive:

- 1.1. Provides guidance on stability operations that will evolve over time as joint operating concepts, mission sets, and lessons learned develop. Future DoD policy will address these areas and provide guidance on the security, transition, and reconstruction operations components of SSTR operations and DoD's role in each.
- 1.2. Establishes DoD policy and assigns responsibilities within the Department of Defense for planning, training, and preparing to conduct and support stability operations pursuant to the authority vested in the Secretary of Defense under reference (a) and the guidance and responsibilities assigned in reference (b).

(...)

3. Definitions

- 3.1. Stability Operations. Military and civilian activities conducted across the spectrum from peace to conflict to establish or maintain order in States and regions.
- 3.2. Military support to **Stability, Security, Transition and Reconstruction (SSTR)**. Department of Defense activities that support

U.S. Government plans for stabilization, security, reconstruction and transition operations, which lead to sustainable peace while advancing U.S. interests.

4. Policy

It is DoD policy that:

- 4.1. **Stability operations are a core U.S. military mission that the Department of Defense shall be prepared to conduct and support. They shall be given priority comparable to combat operations and be explicitly addressed and integrated across all DoD activities including doctrine, organizations, training, education, exercises, materiel, leadership, personnel, facilities, and planning.**
- 4.2. Stability operations are conducted to help establish order that advances U.S. interests and values. The immediate goal often is to provide the local populace with security, restore essential services, and meet humanitarian needs. The long-term goal is to help develop indigenous capacity for securing essential services, a viable market economy, rule of law, democratic institutions, and a robust civil society.
- 4.3. Many stability operations tasks are best performed by indigenous, foreign, or U.S. civilian professionals. Nonetheless, U.S. military forces shall be prepared to perform all tasks necessary to establish or maintain order when civilians cannot do so. Successfully performing such tasks can help secure a lasting peace and facilitate the timely withdrawal of U.S. and foreign forces. Stability operations tasks include helping:
 - 4.3.1. Rebuild indigenous institutions including various types of security forces, correctional facilities, and judicial systems necessary to secure and stabilize the environment;
 - 4.3.2. Revive or build the private sector, including encouraging citizen-driven, bottom-up economic activity and constructing necessary infrastructure; and
 - 4.3.3. Develop representative governmental institutions.

- 4.4. Integrated civilian and military efforts are key to successful stability operations. Whether conducting or supporting stability operations, the Department of Defense shall be prepared to work closely with relevant U.S. Departments and Agencies, foreign governments and security forces, global and regional international organizations (hereafter referred to as ‘International Organizations’), U.S. and foreign nongovernmental organizations (hereafter referred to as ‘NGOs’), and private sector individuals and for-profit companies (hereafter referred to as ‘Private Sector’).
- 4.5. Military-civilian teams are a critical U.S. Government stability operations tool. The Department of Defense shall continue to lead and support the development of military-civilian teams.
 - 4.5.1. Their functions shall include ensuring security, developing local governance structures, promoting bottom-up economic activity, rebuilding infrastructure, and building indigenous capacity for such tasks.
 - 4.5.2. Participation in such teams shall be open to representatives from other U.S. Departments and Agencies, foreign governments and security forces, International Organizations, NGOs, and members of the Private Sector with relevant skills and expertise.
- 4.6. Assistance and advice shall be provided to and sought from the Department of State and other U.S. Departments and Agencies, as appropriate, for developing stability operations capabilities.
- 4.7. The Department of Defense shall develop greater means to help build other countries’ security capacity quickly to ensure security in their own lands or to contribute forces to stability operations elsewhere.
- 4.8. Military plans shall address stability operations requirements throughout all phases of an operation or plan as appropriate. Stability operations dimensions of military plans shall be:
 - 4.8.1. Exercised, gamed, and, when appropriate, red-teamed (i.e., tested by use of exercise opposition role playing) with other U.S. Departments and Agencies.
 - 4.8.2. Integrated with U.S. Government plans for stabilization

and reconstruction and developed when lawful and consistent with security requirements and the Secretary of Defense's guidance, in coordination with relevant U.S. Departments and Agencies, foreign governments and security forces, International Organizations, NGOs, and members of the Private Sector.

- 4.9. The Department of Defense shall support indigenous persons or groups – political, religious, educational, and media – promoting freedom, the rule of law, and an entrepreneurial economy, who oppose extremism and the murder of civilians.
- 4.10. DoD intelligence efforts shall be designed to provide the optimal mix of capabilities to meet stability operations requirements, taking into account other priorities.
- 4.11. Stability operations skills, such as foreign language capabilities, regional area expertise, and experience with foreign governments and International Organizations, shall be developed and incorporated into Professional Military Education at all levels.
- 4.12. Information shall be shared with U.S. Departments and Agencies, foreign governments and forces, International Organizations, NGOs, and the members of the Private Sector supporting stability operations, consistent with legal requirements.

5. Responsibilities

- 5.1. The Under Secretary of Defense for Policy, in coordination with the Chairman of the Joint Chiefs of Staff, shall:
 - 5.1.1. Develop stability operations policy options for the Secretary of Defense.
 - 5.1.2. **Coordinate DoD relations with the Department of State's Office of the Coordinator for Reconstruction and Stabilization (hereafter referred to as 'S/CRS') or any successor organization.**
 - 5.1.3. Represent the Secretary of Defense in discussions on stability operations policy and strategy with other U.S. Departments and Agencies, including S/CRS, foreign governments, International Organizations, NGOs, and members of the Private Sector.

5.1.4. Identify DoD-wide stability operations capabilities and recommend priorities to the Secretary of Defense.

5.1.5. Submit a semiannual stability operations report to the Secretary of Defense, developed in coordination with responsible DoD Components. This report shall:

5.1.5.1. Identify tasks necessary to ensure the Department of Defense implements the responsibilities prescribed in this Directive; and

5.1.5.2. Evaluate the Department of Defense's progress in implementing this Directive using the measures of effectiveness directed herein.

5.1.6. Develop a list of countries and areas with the potential for U.S. military engagement in stability operations in consultation with relevant DoD Components and U.S. Departments and Agencies. This list shall be submitted semiannually to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff.

5.1.7. Ensure stability operations are incorporated into the strategic policy guidance for the preparation and review of contingency plans the Secretary of Defense provides to the Chairman of the Joint Chiefs of Staff pursuant to Section 153 of reference (a).

5.1.8. Create a stability operations center to coordinate stability operations research, education and training, and lessons-learned.

5.1.9. Develop a process to facilitate information sharing for stability operations among the DoD Components, and relevant U.S. Departments and Agencies, foreign governments and security forces, International Organizations, NGOs, and members of the Private Sector while adequately protecting classified information and intelligence sources and methods, in coordination with relevant DoD and non-DoD entities (such as the Director of National Intelligence).

5.1.10. Develop measures of effectiveness that evaluate progress in achieving the goals of subparagraphs 5.1.6. through 5.1.9.

5.2. The Under Secretary of Defense for Intelligence (USD(I)) shall:

5.2.1. Ensure DoD intelligence and counterintelligence capabilities are developed to support stability operations, in coordination with relevant U.S. Government intelligence entities and DoD Components.

5.2.2. Ensure the availability of suitable intelligence and counter-intelligence resources for stability operations, including the ability to rapidly stimulate intelligence gathering and assign appropriately skilled intelligence and counterintelligence personnel to such missions.

5.2.3. Support the Combatant Commanders' development of intelligence support plans and intelligence campaign plans, in coordination with the Chairman of the Joint Chiefs of Staff.

5.2.4. Ensure intelligence career paths attract and retain the quantity and quality of skilled intelligence personnel required for stability operations, in coordination with the Secretaries of the Military Departments and the Under Secretary for Personnel and Readiness (USD(P&R)).

5.2.5. Coordinate with the Chairman of the Joint Chiefs of Staff, the relevant Combatant Commanders, and members of the U.S. intelligence community to ensure the effective use and employment of intelligence activities and resources in stability operations.

5.2.6. Develop measures of effectiveness that evaluate progress in achieving the goals of subparagraphs 5.2.1. through 5.2.5., in coordination with the USD(P).

5.3. The Under Secretary of Defense for Personnel and Readiness shall:

5.3.1. Identify personnel and training requirements for stability operations and evaluate DoD progress in developing forces to meet those requirements, according to DoD Directive 1322.18 (reference (c)).

5.3.2. Develop a joint and combined stability operation training policy that promotes interoperability with relevant U.S. Departments and Agencies, foreign governments and security forces, International Organizations, NGOs, and members of the Private Sector, in coordination with the Chairman of the Joint Chiefs of Staff.

5.3.3. Develop methods to recruit, select, and assign current and former DoD personnel with relevant skills for service in stability operations assignments, and recommend necessary changes to laws, authorities, and regulations related thereto.

5.3.4. Develop opportunities for DoD personnel to contribute or develop stability operations skills by:

5.3.4.1. Undertaking tours of duty in other U.S. Departments

and Agencies, International Organizations, and NGOs;

5.3.4.2. Participating in non-DoD education and training programs relevant to stability operations; and

5.3.4.3. Learning languages and studying foreign cultures, including long-term immersion in foreign societies.

5.3.5. Develop opportunities for personnel from other U.S. Departments and Agencies, foreign governments, International Organizations, and NGOs to participate, as appropriate, in DoD training related to stability operations.

5.3.6. Identify personnel with skills required to support intelligence campaign plans, in coordination with the USD(I) and the Combatant Commanders.

5.3.7. Ensure DoD medical personnel and capabilities are prepared to meet military and civilian health requirements in stability operations.

5.3.8. Develop measures of effectiveness that evaluate progress in achieving the goals of subparagraphs 5.3.1. through 5.3.7., in coordination with the USD(P).

(...)

7. Effective Date

This Directive is effective immediately.

NSPD-44 Directive (7 December 2005)

(...)

SUBJECT: Management of Interagency Efforts Concerning Reconstruction and Stabilization

Introduction

The purpose of this Directive is to promote the security of the United States through improved coordination, planning, and implementation for reconstruction and stabilization assistance for foreign states and regions at risk of, in, or in transition from conflict or civil strife.

Policy

The United States has a significant stake in enhancing the capacity to assist in stabilizing and reconstructing countries or regions, especially those at risk of, in, or in transition from conflict or civil strife, and to help them establish a sustainable path toward peaceful societies, democracies, and market economies. The United States should work with other countries and organizations to anticipate state failure, avoid it whenever possible, and respond quickly and effectively when necessary and appropriate to promote peace, security, development, democratic practices, market economies, and the rule of law. Such work should aim to enable governments abroad to exercise sovereignty over their own territories and to prevent those territories from being used as a base of operations or safe haven for extremists, terrorists, organized crime groups, or others who pose a threat to U.S. foreign policy, security, or economic interests.

Responsibilities of the Department of State

Need for Coordinated U.S. Efforts. To achieve maximum effect, a focal point is needed (i) to coordinate and strengthen efforts of the United States Government to prepare, plan for, and conduct reconstruction and stabilization assistance and related activities in a range of situations that require the response capabilities of multiple United States Government entities and (ii) to harmonize such efforts with U.S. military plans and operations. The relevant situations include complex emergencies and transitions, failing states, failed states, and environments across the spectrum of conflict, particularly those involving transitions from peacekeeping and other military interventions. The response to these crises will include among others, activities relating to internal security, governance

and participation, social and economic well-being, and justice and reconciliation.

Coordination. The Secretary of State shall coordinate and lead integrated United States Government efforts, involving all U.S. Departments and Agencies with relevant capabilities, to prepare, plan for, and conduct stabilization and reconstruction activities. The Secretary of State shall coordinate such efforts with the Secretary of Defense to ensure harmonization with any planned or ongoing U.S. military operations across the spectrum of conflict. Support relationships among elements of the United States Government will depend on the particular situation being addressed.

To achieve the objectives of this Directive, the Secretary of State shall be responsible for the following functions and may direct the Coordinator for Reconstruction and Stabilization ('Coordinator') to assist the Secretary to:

1. Develop and approve strategies, with respect to U.S. foreign assistance and foreign economic cooperation, for reconstruction and stabilization activities directed towards foreign states at risk of, in, or in transition from conflict or civil strife;
2. Ensure program and policy coordination among Departments and Agencies of the United States Government in carrying out the policies set forth in the Foreign Assistance Act of 1961, the Arms Export Control Act, and other relevant assistance laws, as well as section 408 of the Departments of Commerce, Justice, and State, the Judiciary and related Agencies and Appropriations Act, 2005, with respect to such states;
3. Coordinate interagency processes to identify states at risk of instability, lead interagency planning to prevent or mitigate conflict, and develop detailed contingency plans for integrated United States Government reconstruction and stabilization efforts for those states and regions and for widely applicable scenarios, which are integrated with military contingency plans, where appropriate;
4. Provide United States Government decision makers with detailed options for an integrated United States Government response in connection with specific reconstruction and stabilization operations including to recommend when to establish a limited-time PCC-level group to focus on a country or region facing major reconstruction and stabilization challenges;

5. Coordinate United States Government responses for reconstruction and stabilization with the Secretary of Defense to ensure harmonization with any planned or ongoing U.S. military operations, including peacekeeping missions, at the planning and implementation phases; develop guiding precepts and implementation procedures for reconstruction and stabilization which, where appropriate, may be integrated with military contingency plans and doctrine;
6. Coordinate reconstruction and stabilization activities and preventative strategies with foreign countries, international and regional organizations, nongovernmental organizations, and private sector entities with capabilities that can contribute to such efforts provided that the Secretary of the Treasury shall lead coordination with the international financial institutions and multilateral financing bodies and shall facilitate the Secretary of State's stabilization and reconstruction work with respect to these institutions and bodies;
7. As appropriate, work with people and organizations, including in expatriate and foreign communities, with relevant ties, expertise, or knowledge related to countries in which the United States may conduct stabilization and reconstruction activities;
8. Develop strategies to build partnership security capacity abroad and seek to maximize nongovernmental and international resources for reconstruction and stabilization activities;
9. Lead United States Government development of a strong civilian response capability including necessary surge capabilities; analyze, formulate, and recommend additional authorities, mechanisms, and resources needed to ensure that the United States has the civilian reserve and response capabilities necessary for stabilization and reconstruction activities to respond quickly and effectively;
10. Identify lessons learned and integrate them into operations;
11. Resolve relevant policy, program, and funding disputes among United States Government Departments and Agencies with respect to U.S. foreign assistance and foreign economic cooperation, related to reconstruction and stabilization consistent with the Office of Management and Budget's budget and policy coordination functions; and
12. When necessary, identify appropriate issues for resolution or action through the NSC interagency process in accordance with

NSPD-1. Such issues would include the establishment of a PCC-level group as described in sub-paragraph (4) above.

Responsibilities of Other Executive Departments and Agencies

To enable the Secretary of State to carry out the responsibilities in this directive and to support stabilization and reconstruction activities and requirements with necessary resources, Executive Departments and Agencies whose programs and personnel may be able to assist in addressing the relevant challenges will:

1. Coordinate with S/CRS during budget formulation for relevant reconstruction and stabilization activities prior to submission to OMB and the Congress or as required to coordinate reconstruction and stabilization activities;
2. Identify, develop, and provide the Coordinator with relevant information on capabilities and assets;
3. Identify and develop internal capabilities for planning and for resource and program management that can be mobilized in response to crises;
4. Identify within each agency current and former civilian employees skilled in crisis response, including employees employed by contract, and establish under each agency's authorities mechanisms to reassign or reemploy skilled personnel (including by contract) and mobilize associated resources rapidly in response to crises;
5. Assist in identifying situations of concern, developing action and contingency plans, responding to crises that occur, assessing lessons learned, and undertaking other efforts and initiatives to ensure a coordinated U.S. response and effective international reconstruction and stabilization efforts;
6. Designate appropriate senior United States Government officials and government experts as points of contact to participate in relevant task forces, planning processes, gaming exercises, training, after action reviews, and other essential tasks; and
7. Make available personnel on a non-reimbursable basis, as appropriate and feasible, to work as part of the Office of Reconstruction and Stabilization and develop plans for additional personnel exchanges, as appropriate, across departments and agencies to increase interoperability for stabilization and reconstruction operations.

Coordination between the Secretary of State and the Secretary of Defense

The Secretaries of State and Defense will integrate stabilization and reconstruction contingency plans with military contingency plans when relevant and appropriate. The Secretaries of State and Defense will develop a general framework for fully coordinating stabilization and reconstruction activities and military operations at all levels where appropriate.

Within the scope of this NSPD, and in order to maintain clear accountability and responsibility for any given contingency response or stabilization and reconstruction mission, lead and supporting responsibilities for agencies and departments will be designated using the mechanism outlined in NSPD-1. These lead and supporting relationships will be re-designated as transitions are required.

Policy Coordination Committee

I hereby establish a Policy Coordination Committee (PCC) for Reconstruction and Stabilization Operations. The PCC will be chaired by the Coordinator for Reconstruction and Stabilization and a designated member of the NSC staff. The PCC shall include representatives in accordance with NSPD-1.

Nothing in this directive shall be construed to impair or otherwise affect the authority of the Director of the Office of Management and Budget relating to budget, administrative, or legislative proposals. In addition, this Directive is not intended to, and does not: (1) affect the authority of the Secretary of Defense or the command relationships established for the Armed Forces of the United States; (2) affect the DNI's and D/CIA's authorities under title 50 of US Code; (3) affect the authority of the President's Special Coordinator for International Disaster Assistance under Section 493 of the Foreign Assistance Act of 1961, as amended; and , (4) create any right or benefit, substantive or procedural, enforceable at law or in equity, by a party against the United States, its departments, agencies, entities, instrumentalities, its officers or employees, or any other person.

This directive supersedes Presidential Decision Directive/NSC 56, May 20, 1997, "Managing Complex Contingency Operations."

[signed:] George W. Bush

Quadrennial Defense Review (6 February 2006 – extracts)

ACHIEVING UNITY OF EFFORT

The Department of Defense cannot meet today's complex challenges alone. Success requires unified statecraft: the ability of the U.S. Government to bring to bear all elements of national power at home and to work in close cooperation with allies and partners abroad. During the QDR, senior leaders considered the changes needed to enable the Department to contribute better to such unified efforts. Just as the Second World War posed immense challenges that spurred joint and combined operations within the military, today's environment demands that all agencies of government become adept at integrating their efforts into a unified strategy.

This requires much more than mere coordination: the Department must work hand in glove with other agencies to execute the National Security Strategy. Interagency and international combined operations truly are the new Joint operations. Supporting and enabling other agencies, working toward common objectives, and building the capacity of partners are indispensable elements of the Department's new missions.

Why a New Approach is Essential

The United States' experience in the Cold War still profoundly influences the way that the Department of Defense is organized and executes its mission. But, the Cold War was a struggle between nation-states, requiring state-based responses to most political problems and kinetic responses to most military problems. The Department was optimized for conventional,

large-scale warfighting against the regular, uniformed armed forces of hostile states.

Today, warfare is increasingly characterized by intra-state violence rather than conflict between states. Many of the United States' principal adversaries are informal networks of non-state actors that are less vulnerable to Cold War-style approaches. At the same time, many partner nations face internal rather than external threats. Defeating unconventional enemies requires unconventional approaches. The ability to wage irregular and unconventional warfare and the skills needed for counterinsurgency, stabilization and reconstruction, "military diplomacy" and complex interagency coalition operations are essential – but in many cases require new and more flexible authorities from the Congress.

Authorities developed before the age of the Internet and globalization have not kept pace with trans-national threats from geographically



From left, Honorable Zalmay Khalizad, American ambassador to Iraq; U.S. Army General George Casey Jr., commanding general Multi-National Force-Iraq; and an Iraqi dignitary gather for the formal transfer of authority of Forward Operating Base Danger from U.S. forces to the Iraqi government in 2005. All elements of the U.S. Government are working in concert to bring stability to Iraq.

dispersed non-state terrorist and criminal networks. Authorities designed during the Cold War unduly limit the ability to assist police forces or interior ministries and are now less applicable. Adversaries' use of new technologies and methods has outstripped traditional concepts of national and international security. Traditional mechanisms for creating and sustaining international cooperation are not sufficiently agile to disaggregate and defeat adversary networks at the global, regional and local levels simultaneously.

Supporting the rule of law and building civil societies where they do not exist today, or where they are in their infancy, is fundamental to winning the long war. In this sense, today's environment resembles a challenge that is different in kind, but similar in scale, to the Cold War – a challenge so immense that it requires major shifts in strategic concepts for national security and the role of military power. Therefore, the United States needs to develop new concepts and methods for interagency and international cooperation.

Strategic and Operational Frameworks

Unity of effort requires that strategies, plans and operations be closely coordinated with partners. At the operational level, the United States must be able to prevent or disrupt adversaries' ability to plan and execute operations rather than being forced to respond to attacks after they have occurred. Adversaries using asymmetric tactics are global, adaptive and fleeting, thus analyses, decisions and actions to defeat them must also be swift. But for swift action to be fashioned and

effective, it must occur within well-coordinated strategic and operational frameworks. Authorities, procedures and practices must permit the seamless integration of Federal, state and local capabilities at home and among allies, partners and non-governmental organizations abroad.

Drawing on operational experience and lessons learned over the last four years, the QDR examined changes within and beyond the Department to strengthen unity of effort. Improved interagency and international planning, preparation and execution will allow faster and more effective action in dealing with 21st century challenges. New modes of cooperation can enhance agility and effectiveness with traditional allies and engage new partners in a common cause. Initiating efforts to better understand and engage those who support the murderous ideology of terrorists and the evolution of states at strategic crossroads will be critical.

Strengthening Interagency Operations

Increasing unity of effort to achieve the nation's security policy priorities across the agencies of the Federal Government is essential. Only with coherent, leveraged U.S. Government action can the nation achieve true unity of effort with international partners. To address more effectively many security challenges, the Department is continuing to shift its emphasis from Department-centric approaches toward interagency solutions. Cooperation across the Federal Government begins in the field with the development of shared perspectives and

a better understanding of each agency's role, missions and capabilities. This will complement better understanding and closer cooperation in Washington, and will extend to execution of complex operations. To that end, the Department supports improvements to strategy development and planning within the Department and with its interagency partners.

The QDR recommends the creation of National Security Planning Guidance to direct the development of both military and non-military plans and institutional capabilities. The planning guidance would set priorities and clarify national security roles and responsibilities to reduce capability gaps and eliminate redundancies. It would help Federal Departments and Agencies better align their strategy, budget and planning functions with national objectives. Stronger linkages among planners in the Military Departments, the Combatant Commands and the Joint Staff, with the Office of the Secretary of Defense and with other Departments should ensure that operations better reflect the President's National Security Strategy and country's policy goals.

Learning from the Field

Closer relationships between parent agencies in Washington and elsewhere support increased collaboration in the field. Solutions developed in the field often have applicability to interagency cooperation at the strategic and policy levels. Long experience shows that operators, regardless of parent agency, collaborate closely when faced with common challenges in the field: they often resolve interagency concerns quickly and

seamlessly to achieve team objectives.

For the Department, joint warfighters – the Combatant Commanders and leaders of deployed joint task forces – are the primary level at which unity of effort develops. For most other agencies, the U.S. Chief of Mission in a specific country, leading an interagency Country Team, has an important field leadership role. Creating opportunities to help enable Combatant Commanders (whose purview extends across many countries) to work more collaboratively with Chiefs of Mission (who focus on only one country) is one objective. Currently, personnel in the Department of State and Department of Defense must expend considerable effort, on a case-by-case basis, to act together in support of operations. The result is that Commanders and Chiefs of Mission lose agility in the face of an adaptive adversary, fleeting targets are missed, and risks to U.S. interests and those of our partners increase.



Rescue personnel from the Los Angeles, California Fire Department, working with U.S. Coast Guard and U.S. Army personnel, search for victims of Hurricane Katrina in flooded neighborhoods in New Orleans, Louisiana.

Complex Interagency Operations Abroad

The President's National Security Presidential Directive designating the Secretary of State to

improve overall U.S. Government stabilization and reconstruction efforts recognizes the challenges of achieving unity of effort for complex overseas contingencies. Although many U.S. Government organizations possess knowledge and skills needed to perform tasks critical to complex operations, they are often not chartered or resourced to maintain deployable capabilities. Thus, the Department has tended to become the default responder during many contingencies. This is a short-term necessity, but the Defense Department supports legislation to enable other agencies to strengthen their capabilities so that balanced interagency operations become more feasible – recognizing that other agencies' capabilities and performance often play a critical role in allowing the Department of Defense to achieve its mission.

Recognizing that stability, security and transition operations can be critical to the long war on terrorism, the Department issued guidance in 2005 to place stability operations on par with major combat operations within the Department. The directive calls for improving the Department's ability to work with interagency partners, international organizations, non-governmental organizations and others to increase capacities to participate in complex operations abroad. When implemented, the Department will be able to provide better support to civilian-led missions, or to lead stabilization operations when appropriate.

The QDR supports efforts to expand the expeditionary capacity of agency partners. In addition, increased coordination between

geographic Combatant Commands and interagency partners in the field will increase overall effectiveness. The Department proposes a number of policy and legislative initiatives to improve unity of effort for complex interagency operations abroad, providing greater Presidential flexibility in responding to security challenges. The Department will:

- Support substantially increased resources for the Department of State's Coordinator for Reconstruction and Stability and State's associated proposal to establish a deployable Civilian Reserve Corps and a Conflict Response Fund.
- Support broader Presidential authorities to redirect resources and task the best-situated agencies to respond, recognizing that other government agencies may be best suited to provide necessary support in overseas emergencies. This new authority would enable the U.S. Government to capitalize on inherent competencies of individual agencies to tailor a more effective immediate response.
- Strengthen internal Department mechanisms for interagency coordination.
- Improve the Department's ability to assess the relative benefits of security cooperation activities to enable better resource allocation decisions.
- Strengthen the Department's regional centers to become U.S. Government assets in support of government outreach to regional opinion-makers.

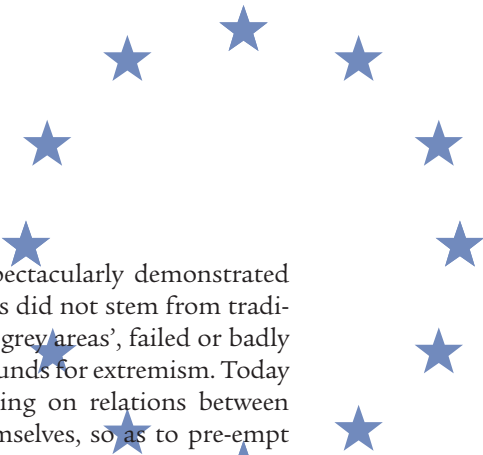
Abbreviations

ACDA	Arms Control and Disarmament Agency
ACT	Advance Civilian Team
AIDS	Acquired Immunodeficiency Syndrome
BMENA	Broader Middle East and North Africa Initiative
CENTCOM	US Central Command
DFA	Director of Foreign Assistance
DoD	Department of Defense
DRL	Office of Democracy, Human Rights and Labor
ESDP	European Security and Defence Policy
EUCOM	United States European Command
FMF	Foreign Military Financing
FSA	Freedom Support Act
FSO	Foreign Service Office
FY	Fiscal Year
IRI	International Republican Institute
JFCOM	US Joint Forces Command
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MEPI	Middle East Partnership Initiative
MNE	Multinational Experiments
NATO	North Atlantic Treaty Organisation
NDI	National Democratic Institute
NED	National Endowment for Democracy
NGO	Non-governmental Organisation
NSC	National Security Council
NSPD	National Security Presidential Directive
NSS	National Security Strategy
OSD	Office of the Secretary of Defense
PCRU	Post-conflict Reconstruction Unit
PDD	Presidential Decision Directive
PEPFAR	President's Emergency Plan for AIDS Relief
PRT	Provincial Reconstruction Team
QDR	Quadrennial Defense Review
S/CRS	Office of the Coordinator for Reconstruction and Stabilization
SEED	Support for East European Democracy
SSTR	Stability, Security, Transition and Reconstruction
UN	United Nations
USAID	United States Agency for International Development
USIA	United States Information Agency
USSR	Union of Soviet Socialist Republics

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Friends again? EU-US relations after the crisis <i>Nicole Gnesotto, James Dobbins, Federico Romero, David Frum, William Wallace, Ronald D. Asmus, István Gyarmati, Walter B. Slocombe, Gilles Andréani, Philip H. Gordon, Werner Weidenfeld, Felix Neugart, Geoffrey Kemp, Dov Lynch, Fiona Hill, Baudoin Bollaert, Joseph Quinlan, Marcin Zaborowski; edited by Marcin Zaborowski</i>	2006
Defence procurement in the European Union – The current debate Report of an EUISS Task Force <i>Chairman and Rapporteur: Burkard Schmitt</i>	2005



The attacks of September 11 2001 spectacularly demonstrated that America's main security challenges did not stem from traditional power rivalries but rather from 'grey areas', failed or badly governed states which are breeding grounds for extremism. Today the emphasis has shifted from focusing on relations between states to acting directly on states themselves, so as to pre-empt the growth of terrorism, arms proliferation, genocide, civil wars etc. After the concept of the 'global war on terror', President George W. Bush put forward his 'freedom agenda' aiming to promote democracy as a response to the security challenges facing the world, in particular in the Middle East. But overthrowing tyrants and holding elections is not enough to create a stable and well-governed democracy and can even, in some cases, complicate matters, as events between 2003 and 2005 in Iraq, Afghanistan, the Palestinian Authority and Egypt have shown.

This is where 'transformational diplomacy', the concept inaugurated by Condoleezza Rice in early 2006, comes in. Basically this consists in working with the partners of the United States with a view to 'build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.'

To enable this to happen, it is first of all American diplomacy which must transform itself, so as to become less 'analytical' and more operational, characterised by direct involvement in foreign societies rather than just being restricted to the realm of foreign policy. This *Chaillot Paper* explores the scope and limits of this 'transformative' action: is the realist paradigm, that of interpower rivalries, really no longer relevant? Can diplomats transform themselves into active promoters of good governance? Are other countries ready to accept them in this role, or will they accuse them of interference? Can transformational diplomacy really change the world?

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