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MAKING THE STATE DEPARTMENT WORK BETTER

INTRODUCTION

The State Department has been a frustration to virtually all presidents since Franklin Delano Roosevelt. Presidents of both political parties have been frustrated by the not infrequent failure of the State Department to fully carry out established policy mandates. In some cases this is due to bureaucratic limitations and in others to deliberate efforts to obstruct presidential policy. In either case, the result is a failure of the unelected State Department to implement policies of the elected leadership of the nation.

The Department of State's structure inevitably limits its outlook and inhibits its effectiveness. Reforms and reorganization are necessary to make the Department an effective coordinating body, responsive to political mandates and to limit the possibilities for deliberate obstruction of presidential policy. These objectives can be achieved by replacing the existing geographic divisions of responsibility with small, highly disciplined bureaus organized along functional lines and operated under the direct supervision of the top presidential appointees in the foreign affairs establishment: the Secretary of State and the Deputy Secretary.

BACKGROUND

Even before World War II had ended, it was obvious that American involvement in international activity was becoming more frequent, complex, and compelling. In these circumstances, the foreign affairs machinery designed in another era was restructured to cope with an expanding workload. But the restructuring did not allow for the profound alterations in the nature of international relations that were to come. For one thing, there was the

question of who should have the responsibility for coordinating the myriad contacts with other governments. In the absence of a rigorous coordinating body to oversee all international contacts, different and sometimes conflicting attitudes were displayed to the same government. Signals were confused or misleading; time and money were wasted.

Secondly, there was the problem of imposing on a reluctant bureaucracy the policy directions an administration might consider important as part of its political philosophy. In this regard, the State Department has been viewed by most presidents as particularly obdurate and resistant to change.

Prior to 1954, the Washington-based staff of the State Department was made up of civil servants, operating under a personnel system totally separate from the Foreign Service. Members of the Foreign Service, in those days, served almost exclusively overseas. With the expectation of a life of overseas assignments, the members of the elite Foreign Service Officer Corps understandably were little concerned about foreign affairs coordination and management. After the 1954 amalgamation of the State Department and Foreign Service, the Foreign Service establishment concluded that it needed dominance over the host of agencies involved in foreign affairs operations, or its power would be weakened and its privileges jeopardized.

In one study after another attempting to bring coherence to the foreign affairs operation, the State Department generally was deemed unsuited to assume the coordinating function.¹ As successive efforts to arrive at the ideal coordinating body failed, the National Security Council and variants thereof picked up the task in matters of national interest. For the rest, a number of ad hoc and standing interagency committees have been devised through which the positions of various departments and agencies can be discussed and particular issues resolved or compromised. It is a jerry-built operation, however, fraught with problems as a policy-making device.

THE STRUCTURAL PROBLEM

The basic failing of the State Department stems from the structure in which its personnel must function. It is sometimes alleged that, given good people, organization is relatively unimportant; the personnel themselves will figure out how to achieve the mission, whatever organizational obstacles may exist. For small groups, this postulate may be tenable; for larger groups, however, organization and structure can determine the behavior of its members. This is the case in the State Department.

¹ An exception was the suggestion of General Maxwell Taylor, during the Johnson Administration, that coordination responsibilities be given to State; the Department failed to grasp this opportunity, however.

Efforts at reform in the State Department have failed because none has seriously addressed the question of organization. President Kennedy thought the coordinator role could be imposed upon the State Department by command. He gave the Department every encouragement and wrote a letter to all Ambassadors telling them that they were in charge of all official U.S. operations at their posts. But nothing changed. The State Department was a disappointment to Kennedy, as it has been to most other presidents.

The Failure of the Taylor Plan

The most serious attempt to endow State with the leadership authority came in 1966 under President Johnson with the issuance of National Security Action Memorandum (NSAM) 341. This document announced that the President had "directed the Secretary of State, as his agent, to assume responsibility to the full extent permitted by law for the overall direction, coordination, and supervision of interdepartmental activities of the United States Government overseas (less exempted military activities)." This directive was drafted by General Maxwell Taylor who had been working confidentially with four interagency task forces to find ways of improving coordination of overseas activities.²

The key feature of the Taylor Plan was the establishment of "Executive Chairmen" of six committees, who were to have full decision-making powers, subject only to appeal to the next decision level. These Executive Chairmen, in turn, were all upper-level State Department officials, that is, the Under Secretary and five Assistant Secretaries who headed the geographic bureaus. On paper, at least, State now had the power it had coveted since the mid-1950s. But in the words of the 1975 Murphy Commission Report on the organization of government for the conduct of foreign policy: "The NSAM 341 system never approached the role General Taylor envisaged for it."

Many reasons have been put forth in post mortems on the failure of the Taylor Plan (e.g. weak staff support, Secretary Rusk's attitude). But both General Taylor and those who have sought to explain his system's demise have overlooked a crucial, damaging aspect of the Department's organizational structure. If it is not changed, it will continue to force the Department to function in a narrow, insular mode where the reactions of other countries are seen as the focal point of foreign policy and related domestic problems as only a nuisance.

The Basic Organization's Built-In Problems

At the heart of the problem is an organization in which most work is divided among five geographic bureaus: European

² William I. Bacchus, "Obstacles to Reform in Foreign Affairs: The Case of NSAM 341," Orbis, Spring 1974, pp. 266-276.

Affairs (EUR); African Affairs (AF); East Asian and Pacific Affairs (EA); Inter-American Affairs (ARA); and Near Eastern and South Asian Affairs (NEA). One additional bureau considered to be geographic is the Bureau of International Organization Affairs.

There are also nine functional bureaus and ten independent offices or staffs in the Department with responsibilities ranging from consular affairs to narcotics. The most important is the Bureau of Economic and Business Affairs (EB), which monitors an array of economic subjects from air rights to international debt issues--all of concern to other entities of the executive branch, many of which have specific responsibilities in these areas spelled out by law. As a consequence, much of EB's work consists of liaison with Treasury, Commerce, the Export-Import Bank, and Agriculture, among others. Within the State Department, this Bureau is viewed with suspicion by the geographic bureaus, which consider it the representative of rival departments and agencies.

Geographic Bureaus

Inside the State Department the geographic bureaus reign supreme, dominating assignments and the flow of information--two powerful bureaucratic weapons. Within the bureaus, work is subdivided by Country Offices, further narrowing the focus at the working level. All this was intended by the architects of this organizational design. The Hoover Commission of 1949-1950 created this structure on the assumptions that: (1) "90 percent of all international problems" would be bilateral; and (2) that "as a general rule," State should limit itself to policy concerns and not become involved in operations.

The structure the Hoover Commission created, therefore, envisioned a very limited State Department role. Its performance, accordingly, has been very limited. Even as problems are flushed upward, they tend to be evaluated within the geographic limits of the bureau's jurisdiction. This explains why Department positions tend to be fashioned around regional or country concerns with emphasis on anticipated country reactions. When issues cut across geographic lines--as most do nowadays--the Department's action or policy recommendations pass through a maddening clearance process during which, for all practical purposes, any interested country office or geographic bureau can claim the right of veto. This is because any dispute between competing offices or bureaus must be resolved at the next higher level, a process rarely resorted to. The position that eventually emerges is likely to be so compromised as to be useless, if not completely incomprehensible.

The Embassies and the Country Offices

The country or regional orientation of Department recommendations is reinforced by the practice, now deeply ingrained, of having Country Offices act as Washington agents of Ambassadors. In part, this practice developed out of the Foreign Service Officers' reverence for titles and worship of the title of Ambassador--the highest diplomatic rank to which a career officer can aspire.

In part, also, it is a function of the promotion system and the role of efficiency reports in that process. Comments demonstrating an officer's grasp of his responsibilities are, of course, central features of an officer's evaluation. In the geographic bureaus, this means, among other things, discussion of the depth of his understanding of the country (or countries) for which he is responsible. Since domestic political issues rarely, if ever, arise in the context of a day's work in the geographic bureaus, knowledge of domestic matters goes unrecognized. Motivation, then, is oriented toward becoming deeply immersed in the problems of other countries.

In any event, it is rare for a Country Director to challenge the view of an Ambassador. Indeed, typically, the two will communicate by informal means (official-informal letter, telephone) to discuss how the Embassy should report on a subject and to plan strategies to counter arguments that other departments may advance in Washington.

This practice is the source of the "clientitis" charge. Obviously, Ambassadors prefer a friendly atmosphere in host countries so that they may have ready access to top political leaders. After all, to be able to gain an audience with the appropriate authority and deliver whatever messages his government may wish him to deliver is an Ambassador's most important responsibility. In the modern world, however, where trans-Atlantic travel is a matter of hours and communications satellites make overseas telephoning as easy as the use of an intercom, any important negotiating matter tends to be handled not by an Ambassador, but by top officials in Washington.³

This does not mean that an Ambassador's recommendation is without value. Indeed it is important to know how the host country may react to a foreign initiative that may affect it, and it is proper that this point of view be forthrightly presented to Washington officials. In fact, there are those in the Foreign Service who advocate that State accept this function as its only responsibility. However, for State to limit itself to the essentially passive role of reporter of foreign government reactions would still not solve the problem of properly coordinating all official non-military overseas activities.

A BLUEPRINT FOR REORGANIZATION

Maxwell Taylor was probably right, in that the State Department is the "logical choice" of an organization to take on the coordinating function. Both before and after the Taylor experiment, however, there have been frequent suggestions that this

³ J. Robert Schaetzel, "Is the Ambassador an Endangered Species, or Merely Obsolete?" Commission on the Organization of Government for the Conduct of Foreign Policy, Volume 6, January 1975, pp. 325-333.

function should be placed in the White House, because only the President can decide policy disagreements between cabinet members or other agency heads. The National Security Council has been fairly successful at handling this coordinating role with regard to national security issues involving State, Defense, the CIA and other national security agencies. Likewise, major international economic issues, which may involve Treasury, Commerce, the President's Special Trade Representative, the Council of Economic Advisors, the Federal Reserve and the international banks, cannot be resolved by the State Department alone. Yet advocates of the White House or NSC acting as the inter-agency coordinator of foreign policy probably underestimate the magnitude of the foreign affairs operation and the infrastructure required to support it.

State, on the other hand, has the rudiments of a proper infrastructure and support staff. It lacks only the right organization. The White House or NSC could use these State Department assets while retaining the ultimate authority to coordinate. But if the Department is not organized properly, it will continue to be seen as using its control of information and support functions to further its narrow bureaucratic interests, and to support foreign interests over those of the United States. Structural reform, therefore, is essential.

Whatever the State Department's role, however, in order to be effective, drastic changes--not exhortation--will be required. Foremost among these will be the elimination of the geographic bureaus and creation of a new division of responsibilities along functional lines. Secondly, the entire area of information gathering, storage, and management needs to be revamped so that basic information is accessible. Third, an independent analytical capability must be created, completely divorced from policy and operations. Fourth, management of the Department needs to be integrated with substantive operations so that budget and personnel functions can be used to further policy interests. Finally, the treatment of personnel from assignment to promotion needs to be reformed to assure more exposure to domestic matters in both the public and private sectors.⁴

Toward a New Bureau Structure

A reorganized structure should have four functional bureaus immediately under the Secretary and Deputy Secretary. These should consist of not more than 50 experienced officers drawn from the upper levels of the service. These bureaus would be: Political Affairs, Economic Affairs, Military and Defense Affairs,

⁴ This study does not directly address the important issue of the institutional structure for U.S. foreign (economic and security) assistance programs. This question has recently been addressed by the Carlucci Commission and will be the subject of discussion in future Heritage Foundation publications.

and Scientific Affairs. A fifth functional bureau--a Bureau of Management Affairs--would have to be somewhat larger since it would combine the budgeting and personnel functions. (General Services, which employs the largest staff, would be situated elsewhere in the hierarchy as an autonomous, third level operation.) These bureaus would be headed by five Under Secretaries.

The staffs should be small to minimize jurisdictional battles that sometimes arise when intelligent people have too little to do. This is a serious problem in the Department today where there is a surfeit of experienced, highly capable officers and a shortage of high-level problems for them to work on. Smaller staffs could operate efficiently because the information system would be improved, as described below, to provide up-to-date, comprehensive data in an automated system.

Here, at a level immediately under the Secretary and Deputy Secretary, small, well-disciplined bureaus with functional rather than geographical responsibilities could look at world problems with greater objectivity and broader perspectives. Operating as the immediate staff of a politically appointed Secretary and his Deputy would, perforce, increase both the influence of the political leadership and the responsiveness to political mandates.

Moreover, jurisdictional battles that are an inevitable part of bureaucratic life would no longer turn on geographic issues where concern over foreign reactions tends to be overplayed. In addition to distancing the policy-recommending bodies from the understandable and known biases of the missions abroad, the arrangement by functions would offer the advantage of giving the Secretary and his Deputy direct access to the operating staff so that influences and pressures could be exerted downward with some effectiveness. This contrasts with the existing organization where the geographic bureaus are practically autonomous, made up of an anonymous staff who hear the Secretary's views only second-hand, if at all.

The difference in approach under this proposed organization can be illustrated by examining a hypothetical problem involving commodity stabilization programs. Over the years, the United States has been a party to several international arrangements designed to smooth out fluctuations in the price of certain basic commodities such as coffee, sugar, or tin. This is an area of foreign policy where philosophies differ sharply among the various political factions in the United States so that the particular beliefs of the administration in power should weigh heavily. Yet these arrangements rarely command much public attention; bureaucratic maneuverings thus take on exceptional importance. Under the current geographic arrangements, the positions of countries who believe they stand to benefit by the agreements are strongly defended by each geographic bureau under whose jurisdiction these countries may fall. The Economic Bureau is rarely able to dominate the maneuverings in the Department because its access to posts abroad must go through the geographic bureaus, which are more

influential in the Department. In any case, the Department's position will inevitably be biased toward external reactions. Even though this position is likely to be offset by responses of other Departments such as Agriculture or Treasury, the process is long and tedious, and the State Department's role becomes that of an advocate rather than coordinator.

Under the proposed arrangement, on the other hand, functional bureaus would consider the issues without excessive geographic influence, and indeed, because of their close proximity to the Secretary, would be more aware of domestic political and economic concerns and more responsive to the administration's political philosophy. The emerging position is likely to be crisper, more balanced, and more likely to win the respect of other elements of the government.

Support Services

An efficient and well-organized Bureau of Information and Analysis would provide essential support services to the functional bureaus. Such an entity could relieve the bureaus of the horrendous task of screening the daily information flow from the posts abroad. A staff organized to screen such data, culling the facts and observations worth recording and feeding them into an automated system where the information could be retrieved instantaneously when needed, could be of enormous benefit to the entire Foreign Affairs establishment. It would be here, in fact, that the bulk of Foreign Service Officers posted to Washington would be assigned. Junior grade officers on Washington assignment would serve in this bureau as training experience where a vast fund of knowledge could be developed and the policy process and coordination of foreign activities observed firsthand. This bureau would be headed by a Deputy Under Secretary, giving it needed prestige while keeping it clearly below the more important functional bureaus.

The Department currently has no such information system in operation. Information handling is the responsibility of the Bureau of Administration and, although automated, is viewed primarily as storage function. No programming of information has been attempted and the expensive equipment is little used above the clerical level. Judgments and analyses by the substantive staff are formulated from personal memory, impressions, and such documented information as may have been squirreled away in personal file cabinets.

An automated system of up-to-date country information along with an automated functional data base that would permit not only rapid retrieval of specific information by anyone in the functional bureaus, but cross-matching and rank-ordering and other manipulations of data would be fairly simple to implement and not particularly costly considering the amounts already spent on equipment. But appropriate direction is needed. The Foreign Affairs Information Management Center (FAIM) and the Information Systems Office (ISO), both of which have responsibilities with respect to automation of information, are staffed with people who have had, at best, minimal exposure to State's substantive operations. The

new Bureau of Information and Analysis would absorb both of these offices but should be staffed with officers who could provide the programming direction needed.

The Information Bureau would be charged with an additional function, which would be to direct the posts abroad on information requirements and format. The lack of direction now reveals itself in a plethora of telegraphic reports--over a million telegrams pass through the Department each year--many of which repeat news media reports or report on events whose significance is overtaken by other events sometimes within hours. At the same time, long, discursive or analytical reports with a lasting quality have all but disappeared. It is a format that needs to be revived. Such comprehensive reporting is needed not only in State but in other departments and agencies as well. Background information and descriptive data are needed for briefings, orientation of new people, and reference purposes. In reality, long reports are not read because they are not accessible. Committed as they are to central files, knowledge of their existence ends. If protected by a simple hard cover, properly catalogued, and stored in a classified library, these reports could be useful for many years.

Improving Analytical Capacity

An Office of Analysis and Assessments would be part of the Information Bureau. Assignment to this office would be a stepping-stone for junior and young middle-grade officers who had already served on the information management side. An assignment to the Office of Analysis and Assessments would give these young officers an opportunity to use the information and information system they had already become acquainted with. This unit would prepare long-term analytical papers under the supervision of older, experienced Foreign Service Officers.

The Office of Analysis and Assessments would be different because most of the analysts would be junior and not given to pretensions of being policy makers. Their senior supervisors could take pride in having counseled and guided promising young officers in the production of careful, reliable research--something the Department has never had. Typically, it has contracted out such work to consultants, with results that have been biased to suit the particular office requesting the study, inadequate partly because the contractee did not fully understand the need or have access to information, or simply useless because the consultant in question did not live up to expectations. An analysis office would give the Department some control over both quality and objectivity.

Turning Management Focus to Substantive Matters

With rare exceptions, the Under Secretary for Management has had little to do with managing the Department. At best, he has managed the Secretary's office, supervised preparation for major conferences, and steered major Department reforms through the legislative process. Information management, which, along with budget operations and personnel matters, nominally falls under

his direction, is in reality controlled by the Assistant Secretary for Administration and the Director General--separate bureaus constantly at war with each other.

The reorganization proposed here would place information management under a new bureau (as described above) but would place the budget and personnel functions in the Bureau of Management Affairs under the control of an Under Secretary for Management. These are powerful tools that can be used to promote substantive ends. Currently, budgeting for the Department is done by a "fair shares" approach; i.e., requests from all embassies abroad and bureaus and offices in Washington are added up, the strongest possible pitch is made to the Office of Management and Budget and to the appropriate congressional subcommittees, and whatever is obtained is pro-rated more or less according to historic allocations. No effort whatsoever is made to determine efficiency levels or real needs in terms of long-term policy aims.

The personnel system, like the budget operation, is a passive function with accommodation of the geographic bureaus being the highest priority. An Under Secretary for Management, knowledgeable of the Department's substantive needs and familiar with systems analysis and quantitative techniques, could use these administrative processes to great advantage in furthering the Department's operating and policy functions.

This objective could also be enhanced by a revamped Inspection Corps, organized as a semi-autonomous entity outside the Foreign Service personnel system and staffed with people trained in statistical and sample survey techniques. The current Inspection Corps is composed of upper-level Foreign Service Officers, who either have outlived their usefulness to the Department but prefer travel to retirement, or have incurred the enmity of some political person and have a need for a convenient hiding place pending the angered party's departure from the Washington scene. It is not an organization disciplined to carry out inspections in a rigorous, systematic way, and its subjective opinions are frequently flabby, sometimes contradictory, and always ignored. It is unfortunate; it is a function that could be useful in assuring consistency in carrying out policy directives and efficiency of operations, if properly manned and directed.

Moving Out Into the Real World

A final category of reform is one that has been attempted many times in many ways, but always falls short of the dramatic changes required. This concerns Foreign Service Officers' need to have more exposure and involvement with domestic operations, whether in government departments, foundations, or the private sector. Measures such as the Pearson Act have brought meager results because tours of duty outside the Service are too short and FSOs typically fear long estrangement from the circuit.

The Department of State, the host entities in the public and private sectors, and the individual Foreign Service Officer would all benefit from a more diversified career path that would include

outside assignments that could be called something more than long training exercises. Upper-grade officers, in particular, badly need this exposure and at least four years outside assignment should be a prerequisite to assignment to one of the functional bureau jobs. This is entirely possible; the Department does not have enough challenging work for the number of outstanding people it now employs. Properly organized, it could function efficiently with as few as half its present staff, even with the added responsibilities of coordinator. Spinning off some of the Department's ancillary functions, which have little or nothing to do with foreign relations, also would contribute toward reducing staff size, thereby freeing up time to be spent on outside assignment. Visa issuance, for example, should be given to the Justice Department, as is so often recommended, and the passport function could be set up as an independent agency.

IMPLEMENTING CHANGE

The proposed changes can be accomplished by the following steps:

- 1) Submit to Congress a reorganization plan that would abolish the present bureau structure of the State Department, including the five geographic bureaus, and establish in its place a structure of six functional bureaus. The six bureaus, which would incorporate existing bureaus concerned with economic, military and scientific affairs, would be:
 - The Bureau of Political Affairs
 - The Bureau of Economic Affairs
 - The Bureau of Military Affairs
 - The Bureau of Scientific Affairs
 - The Bureau of Management
 - The Bureau of Information and Analysis
- 2) Agree to the proposal to place the Inspection Corps under the Inspector General Act, as recommended in 1983 by the General Accounting Office, and staff the Inspection Corps with professional inspectors and auditors who are not members of the Foreign Service.
- 3) Assign more Foreign Service Officers to domestic details outside the Department of State for longer periods.
- 4) Ask Congress to approve the transfer of the Department's visa functions to the Department of Justice as recommended by the Hoover Commission.
- 5) Ask Congress to approve the establishment of a separate U.S. passport agency.

CONCLUSION

A more concentrated group of talented--even brilliant--men and women, such as make up the Foreign Service Officer Corps and

allied professionals of the State Department, would be hard to find. Paradoxically, for all their ability, they contribute little. Many, including the political leaders of the last three decades, would likely have judged their contributions as negative--even as hindrances to the objectives of various administrations.

And yet these talents are needed. In the proper organization, they could contribute much toward improved functioning of the foreign affairs process, avoiding the mistakes and confusion that are inevitable in present circumstances under any administration. The solution is less a question of injecting an administration's political philosophy into the system as it is a matter of integrating this professional corps with political leadership and making it the centerpiece of government operations. The top of the hierarchy in the design presented here would be small and so closely involved with political leadership that it could not remain aloof. Nor is it likely that this group of men and women would want to be aloof. Resistance, even defiance, occurs when participation is denied; not when it is offered.

What is required, then, is drastic change in an organization that is certain to resist drastic change in spite of itself. Many titles, so coveted by the Foreign Service, would disappear in a streamlined organization. They should. They are a distraction, serving as a substitute for meaningful work or other rewards. Opposition also would arise because change per se is viewed as undesirable and because changes of this magnitude would interrupt career plans; assignments previously arranged and counted on, or even vacation plans.

Moreover, implementation would be difficult, all the more so because it could not be accomplished rapidly, giving opponents a chance to muster support and to develop new obstacles to change. Such tactics could be obviated by having legislation passed that would commit the executive branch unequivocally to the reform within a definite time frame, thereby making the commitment difficult to reverse. But what is essential is avoiding half measures and minor internal steps that change nothing. So far from utility has the foreign affairs establishment drifted, so close to obsolescence has the Foreign Service Officer Corps become, that it will not suffice to once again serve up more thin gruel in a thick bowl.⁵

Prepared for The Heritage Foundation
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⁵ Senator Mike Mansfield, now Ambassador to Japan, described the eight volumes of paper produced by the Murphy Commission on the Organization of Government for the Conduct of Foreign Policy, as "thin gruel served up in a thick bowl."

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