
**UNITED STATES ADVISORY COMMISSION
ON PUBLIC DIPLOMACY**

**Consolidation of USIA
Into The State Department:
An Assessment After One Year**



OCTOBER 2000

**U.S. Advisory Commission on Public Diplomacy
301 4th St. SW, Rm. 600
Washington, DC 20547**

The U.S. Advisory Commission on Public Diplomacy is a bipartisan Presidentially appointed panel created by Congress in 1948 to provide oversight of U.S.-Government activities intended to understand, inform, and influence foreign publics. The Commission reports its findings and recommendations to the President, the Congress, the Secretary of State, and the American people.

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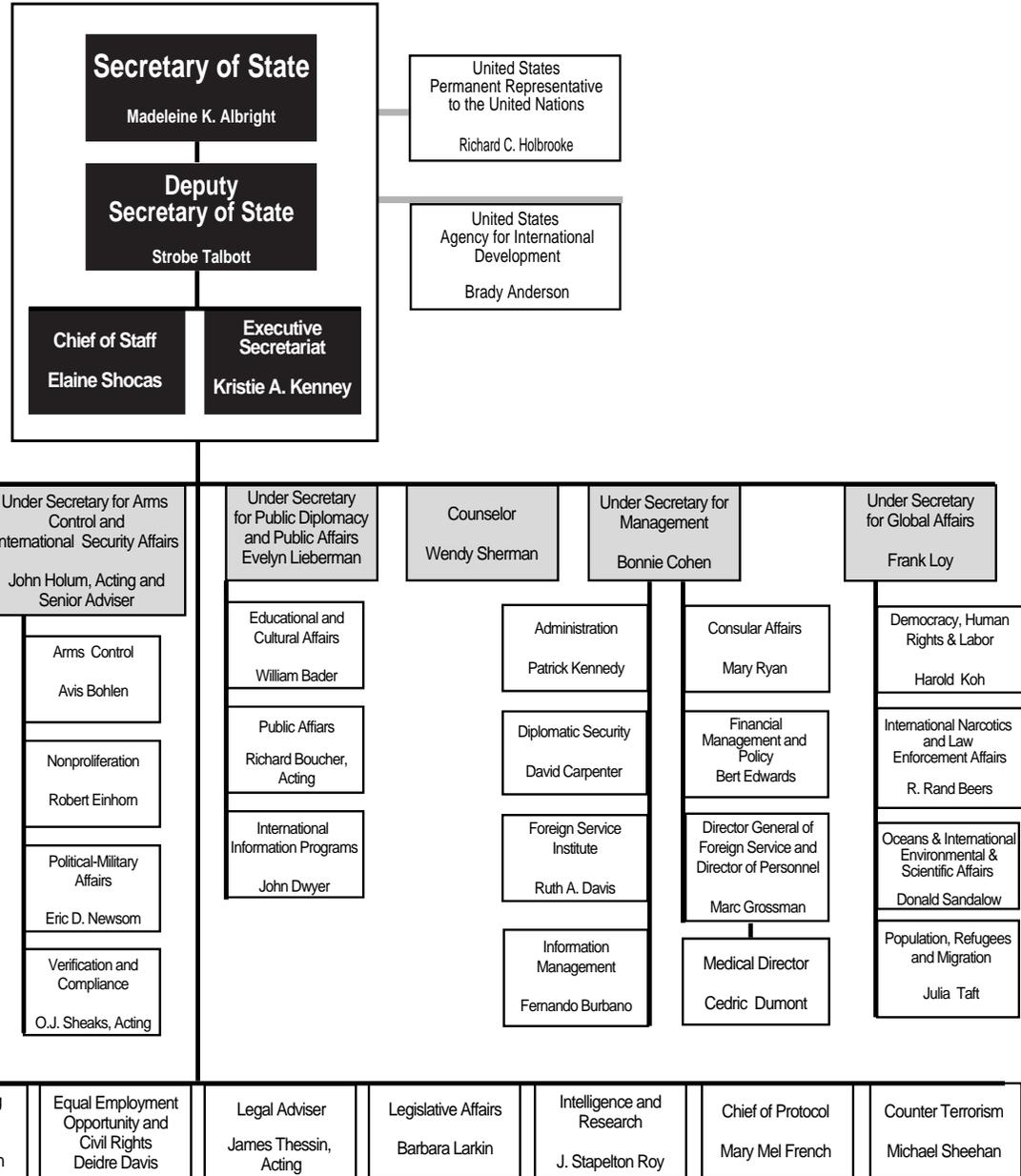
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UNITED STATES DEPARTMENT OF STATE



Note: This chart includes the integration of the Arms Control and Disarmament Agency and the United States Information Agency into the Department on April 1 and October 1, 1999, respectively.





Consolidation of USIA Into the State Department: An Assessment After One Year

EXECUTIVE SUMMARY

The U.S. Advisory Commission on Public Diplomacy finds that the consolidation of the United States Information Agency (USIA) into the State Department has to date produced a mixed record. For former USIA employees, the transition has meant a very difficult adjustment; while moving to the State Department has afforded former USIA employees unprecedented career opportunities, it has also required them to conform to the procedures of a Department that is overly centralized and hierarchical. The Commission finds that morale among the Department's "new" employees is worryingly low, but morale is a major problem throughout the entire Department, not just among former USIA employees.

Although USIA personnel have gone through a very difficult transition, the programs they administer have been affected to a lesser degree. Fortunately, exchanges continue apace, as do information and speaker programs and other public diplomacy activities, although implementation has become more cumbersome under the State Department. Credit for this, the Commission believes, goes to the Under Secretary for Public Diplomacy and Public Affairs for her work in raising the profile of public diplomacy in the Department and tirelessly pursuing the goal of integration. Of course, without the dedication and effort of the Department's public diplomacy officers—those in Washington and abroad as well as the Foreign Service nationals—as well as those State officers who have worked on the transition, success would never be possible. Despite their efforts, it will take several years before public diplomacy becomes an accepted "cone" in the Department and is recognized for the value it brings to U.S. foreign policy goals and objectives.

When consolidation was first proposed in 1997, its supporters in Congress expected it to be accompanied by a reinvention of the way the United States conducts and carries out its foreign affairs. Consolidation was launched last October, though much remains to be done to smooth the transition from USIA into State. The Commission looks forward to the day when real reinvention will follow.

I. Introduction

In spring 1997, the U.S. Advisory Commission on Public Diplomacy endorsed the idea of restructuring America's foreign affairs agencies when the concept was first floated by President Clinton and the Senate Foreign Relations Committee Chairman Jesse Helms. The Commission supported the then-stated goal of putting public diplomacy "at the heart of U.S. foreign policy."

After numerous fits and starts, consolidation of the United States Information Agency (USIA) into the State Department finally occurred on October 1, 1999. Now, roughly a year later, the Commission can say that consolidation has produced mixed results. For the most part, consolidation has had a wrenching effect on personnel assigned to Washington. It has had less of an impact on the programs carried out by former USIA employees.

To be fair, 1 year is not enough time to reach final conclusions about consolidation; it will take several years before the degree of success or failure can be definitively assessed. The Commission, however, believes it is important, at this point, to focus on what is working well and what is not, and to point out where problems remain and improvements can be made.

This Report deals with the impact of consolidation on public diplomacy operations in Washington, D.C. In writing this Report, the Commission relied on a review of official documents and outside assessments, as well as interviews with more than 70 people (on a nonattribution basis), including:

- those involved in planning and implementing consolidation,
- public diplomacy and public affairs officers,
- assistant secretaries, principal deputy assistant secretaries, and/or deputy assistant secretaries and other nonpublic diplomacy

officers in the Department's regional and functional bureaus and in the administration and finance and management bureaus,

- officials in the Office of the Under Secretary for Public Diplomacy and Public Affairs,
- officials in the Bureau for Educational and Cultural Affairs (ECA) and in the Office for International Information Programs (IIP), as well as in the Office for Media and Research Analysis,
- Congressional staffers, and
- representatives of the nongovernmental (NGO) community who work on exchange programs

This Report, released roughly a year to the date of consolidation, will not be the Commission's final word. Future reports and studies will assess the impact consolidation has had on the interaction between public affairs and public diplomacy, the placement of public diplomacy personnel, and the usefulness in this day and age of the Smith-Mundt Act (legislation which restricts PD employees from being used to influence the U.S. domestic audience). In addition, following trips to posts overseas, the Commission will report on the impact consolidation has had in the field and the effectiveness of public diplomacy more generally overseas.

II. What Happened October 1, 1999?

USIA, created in 1953 by President Dwight Eisenhower, was abolished as a separate government agency, effective October 1, 1999, when the Department of State assumed responsibility for U.S. public diplomacy activities. This involved the transfer of 4,025 USIA employees (including 2,079 Foreign Service nationals, or FSNs) to the State

Department. Of the 1,946 positions filled by Americans, 1,291 were located in the United States. A new position, Under Secretary for Public Diplomacy and Public Affairs, was created with responsibility for two bureaus—the Bureau for Educational and Cultural Affairs (ECA) and the Bureau of Public Affairs (PA)—and for the Office for International Information Programs (IIP, formerly known as USIA’s “I Bureau”). In addition, USIA’s former area offices joined respective regional bureaus at State, and public diplomacy staffs were added to State’s functional bureaus. USIA’s Research Office was placed under State’s Bureau of Intelligence and Research (see Organizational Chart on page 2). The overseas officers responsible for carrying out public diplomacy activities in each post, known as public affairs officers (PAOs), already largely integrated in their missions, now report directly to the Ambassador, no longer also to the USIA area director in Washington, D.C. The broadcasting parts of USIA—Voice of America and Radio Marti—were placed under a separate Federal entity, the Broadcasting Board of Governors.

According to the Administration’s “Reorganization Plan and Report” submitted to Congress December 30, 1998, pursuant to the Foreign Affairs Reform and Restructuring Act of 1998,

Integrating USIA [into the State Department] and bringing public diplomacy insights into play sooner will develop more effective policies that are persuasive to foreign audiences. The infusion of USIA’s strategic approach to public diplomacy, open style, close ties with nongovernmental organizations (NGOs), technology for open communications, and skillful Internet use will make U.S. foreign policy more agile.¹

For the most part, the Commission has concluded, much remains to be done before this goal is achieved.

III. The Role of Public Diplomacy - In Theory

Public diplomacy involves U.S. Government activities intended to understand, inform, and influence foreign publics through international exchanges, international information programs, media research and polling, and support for nongovernmental organizations. Public diplomacy solidifies relations with America’s allies, seeks to inculcate others with American values, and promotes mutual understanding between the United States and other societies. Done properly, it reduces the potential for conflict—military, political, and economic—and dispels negative notions about the United States. Public diplomacy is an inexpensive, yet highly effective, way to promote American policy and interests overseas.

Compared to public affairs, which is geared principally to the U.S. domestic audience and is concerned principally with providing information about government policies and activities, public diplomacy is focused on audiences overseas. Through exchanges and polls it seeks to promote mutual understanding—not just foreigners learning about the United States but Americans learning about other countries and cultures as well. Traditional diplomacy, which focuses on government-to-government relations, differs from public diplomacy, which deals not only with other governments but also with nongovernmental organizations and foreign publics at large.

The importance of public diplomacy was stated succinctly in the Report of the Overseas Presence Advisory Panel: “Public diplomacy is needed to help clarify the American position and viewpoint, to explain why the United States favors a particular course of action, and why that course of action would benefit both U.S. interests and that of another nation.”²

¹ http://www.state.gov/www/global/general_foreign_policy/rpt_981230_reorg1.html

² “America’s Overseas Presence in the 21st Century,” Report of the Overseas Presence Advisory Panel, November 1999, p. 32.

IV. The Role of Public Diplomacy - In Practice

The push to make public diplomacy a central element of American foreign policy, a major goal of consolidation, was reinforced by an April 30, 1999, Presidential Decision Directive/NSC-68 entitled International Public Information (PDD-68). The objective of the Directive is “to enhance the use of international public information as a key instrument for preventing and mitigating foreign crises and advancing U.S. interests around the world.”³

Moreover, in making the case for consolidation of USIA into State, the Administration, according to its “Reorganization Plan and Report,” stated:

We place very high priority on public diplomacy with foreign audiences, and are firmly committed to integrating public diplomacy more fully into foreign policy. Our goal is to strengthen public diplomacy through its integration into the policy process. Negotiations on such issues as NATO enlargement, Iraqi sanctions, and global climate change show the value of being proactive in informing and influencing foreign publics, NGOs, and others. These audiences are playing greater roles in international issues as communications improve and pluralism expands. When public diplomacy strategies are applied from the outset as policy is formulated, policy and its articulation will improve and be more persuasive to foreign publics and policymakers.⁴

The Commission believes that the Department has a long way to go before the statement above is true in practice. Public diplomacy, largely driven by the needs of posts overseas and revolving around programs such as exchanges and information dissemination, stands in contrast to the policy-driven

State Department, a highly centralized and hierarchical institution driven by the needs of the Secretary of State and other top officials in Washington, D.C. The State Department, as many employees acknowledge, does policy, not programs. USIA was all about programs. Melding the field-driven, program-oriented USIA into the Washington-driven, policy-oriented State Department has proven to be a major challenge. As one interviewee noted, people at USIA “have come from an organization that sent out information and arrived at an organization that draws information in and by nature keeps it locked in.”

In addition, before consolidation, USIA dealt with State as one of several Government Agencies and Departments in putting together public diplomacy programs. Since October 1999, public diplomacy has functioned as a part of State at the virtual exclusion of other agencies. In the past, State was one of several consumers of, and contributors to, public diplomacy. Today, it is harder for public diplomacy to reach out to other Departments in the government.

Moreover, the systematic collaboration that USIA had with other Departments, for example with the Pentagon, has not continued. This deprives the Defense Department of an opportunity to make use of the expertise offered by public diplomacy officers. It also robs public diplomacy officers of the chance to learn more about defense and military matters, which could come in handy particularly for public diplomacy in the security-related bureaus of the State Department. Similarly, not only is there little collaboration between State’s Bureau for Educational and Cultural Affairs (ECA) and the Agency for International Development (AID) on exchange programs that both support, but there is a certain competition between the two agencies. Needless to say, the two should be collaborating to maximize the effectiveness of U.S. Government-supported exchange programs.

The approach to consolidation by the last USIA administration did little to smooth the transition.

³ http://www.state.gov/www/global/general_foreign_policy/rpt_981230_reorg1.html. This PDD follows a recommendation made by the Commission in its 1998 Report, “Publics and Diplomats in the Global Communications Age,” p. 4.

⁴ http://www.state.gov/www/global/general_foreign_policy/rpt_981230_reorg6.html.

Amid resistance to consolidation throughout most of the agency, the last USIA leadership unsuccessfully sought to achieve consolidation on USIA's terms, to move USIA, as a whole, into the Department. This did not go over well with people at Main State. The negative attitude toward consolidation permeated throughout USIA, contributing to a sense of demoralization from which those in public diplomacy, especially in Washington, D.C., have not yet recovered.

At the same time, many in public diplomacy felt that USIA had become a weakened organization—and not just because of its resistance to consolidation. There is a widespread feeling among those interviewed for this report that USIA had become too disconnected and isolated from the rest of the foreign policy establishment. The key has been how to reconnect public diplomacy without sacrificing its unique nature.

A. Cutting Through the Department of State's Bureaucracy

Although critical of the last USIA leadership, those in public diplomacy who now must negotiate the State Department bureaucracy almost unanimously yearn for the less-bureaucratic, more-responsive days of USIA. Not one interviewee involved in public diplomacy neglected to complain about the difficulty of working through the State Department's rules and procedures. The bureaucratic way State operates with its mountain of required clearances, paperwork, and regulations is not geared for PD programs. As one nonpublic diplomacy person in the Department acknowledged, "It's excruciating to get beyond State's hurdles." Another person comparing the accounting systems between the Department of State and the old USIA noted that "while USIA might not have had the greatest system in the world, there was a sense that we were working for a higher purpose—to serve the field." By comparison, at the Department of State, this person continued, "accounting is an end in itself."

Getting things done in the public diplomacy field has proven to be much more difficult since consolidation. From procurement to personnel to grant-making to travel, the Department of State bureaucracy is far more cumbersome and slower to work through than was the much smaller, and more flexible, USIA. The Commission agrees with those who describe the Department as hierarchical and overcentralized. Former USIA employees believe that USIA had a good system to get things done, pay people, and transfer funds, and the Commission shares the view that State should have adopted some of these procedures. Instead, there has been virtually no "best practices" approach to consolidation. "It's frustrating when we had an efficient, time-tested system yet State says do it our way," one public diplomacy officer said. Another offered this assessment: "It's been a painful time. Things have not gone as well as before October 1 [1999]. State didn't appreciate that we run programs on a real-time basis." Yet a third said, "My 2 years in Washington have been interesting, but I can't wait to get out of here and back into the field."

In the past, when the then-equivalent of ECA was under the State Department, it encountered many of the same problems then as it does now. In 1978, ECA was moved into USIA, and its operations became smoother after a transitional period. At least 2 years will likely be needed, the Commission finds, for this latest transition back into the Department.

The view that the State Department is a "dysfunctional" place, as several interviewees have said, is not limited to new employees from USIA.⁵ The layers of bureaucracy and difficulty in doing even the simplest things have discouraged longtime employees as well as newcomers at the Department.

Although some of the bureaucratic delays and problems besetting public diplomacy have been addressed, they caused serious hardship at the outset of consolidation and remain an impediment for NGOs. Nonprofit organizations that work with ECA in carrying out exchange programs face, on average, four more layers of clearance on grant decisions than in the past, and their staffs are spending too much

⁵ See, for example, "As Diplomacy Loses Luster, Young Stars Flee State Dept.," *New York Times*, Sept. 5, 2000, p.1, for examples of people who have grown disillusioned with the Department.

time on responding to added bureaucratic demands. Last fall, several NGOs had to scramble to meet payroll and other costs as the result of slow payments made by the Department, and timely receipt of funds to grantee organizations remains a problem. Another concern for NGOs involves budgets; whereas in the past USIA accepted budget submissions as estimates to allow for unexpected changes, State mandates a “not-to-exceed” budget guideline which eliminates the flexibility from past budgets and imposes a rigid approach. Taken together, these problems have left a lasting impression on the NGO community.

New administrative headaches have not been restricted to Washington or NGOs either. According to many PD officers, those in the field are finding that anywhere from 20–60 percent of their time is consumed by administrative matters, keeping them from their main function: making contacts with people outside of the Embassy.

B. Integrating Into the Department of State

There is a tendency in the State Department to view the six regional bureaus—African, European, Near Eastern, Western Hemisphere, East Asian and Pacific, and South Asian Affairs—plus International Organizations as the cream of the crop. They handle the day-to-day emergencies that crop up around the world and generally maintain the highest profile. The functional bureaus, by comparison, although vital to the Department of State’s operations both in the long and short term, play a less glamorous role.

Public diplomacy, which has operated principally with a long-term orientation, is more like the functional bureaus—i.e., it does not make headlines but it is instrumental in formulating successful foreign policy. PD officers also need to be able to think and act short-term and to respond during emergencies. In times of crisis, for example, as the Commission noted in its July 1999 report on the war in Kosovo, “wars have to be fought on two fronts—through the use of arms and the use of information.”⁶

Yet most traditional (i.e., non-PD) State Department officials do not think of public diplomacy as a tool to use in responding to the exigent needs of crisis management. That is because there is a prevailing lack of understanding of, and appreciation for, public diplomacy in the Department among traditional officials. One public diplomacy officer put it this way: “For most nonpublic diplomacy people at State, consolidation is not an issue. The mentality of desk officers [in the bureaus] is that PD folks do things that desk officers don’t want to do. Public diplomacy is not seen as integral to the Department, rather, peripheral.”

Public diplomacy is more than having the Secretary of State fly into a country for a 24- or 48-hour visit. It requires sustained interaction with the indigenous government, media, elite, and public at large to build sympathetic constituencies—the very work that public affairs officers are trained to do. It means disseminating information about U.S. policies and values and engaging foreigners in exchange programs. It involves exposing foreigners to U.S. culture and ideas and also educating Americans about those living in other countries. Public diplomacy, in other words, is too important to be dismissed by State Department officials stuck in the old ways of thinking and doing things, both of which the Commission saw and heard firsthand. It also requires those who work in public diplomacy to be forceful, creative, and responsive.

1. THE REGIONAL BUREAUS

One of the most noticeable changes that came about as a result of consolidation was the creation in the State Department’s regional and functional bureaus of public diplomacy positions filled by former USIA area officers. There is no denying, by placing ex-USIA officers in these bureaus, that public diplomacy has come closer to policymaking. The transition in the regional bureaus was logical, as the regional bureau configuration at State matched up with a similar regional breakdown that existed in USIA; 103 full-time positions transferred from USIA to the regional bureaus. The rank at which PD directors assumed their positions in the bureaus, however, has been a source of controversy. Many

⁶ “Kosovo: Shaping the World’s View of America’s Foreign Policy,” A Special Report of the U.S. Advisory Commission on Public Diplomacy, July 1999, p. 1

expected and sought to enter the bureaus at the deputy assistant secretary level; instead, they became office directors for public diplomacy. In the status-conscious and hierarchical Department of State, title and level matter a great deal. Moreover, area PD directors lost some control over resources they once had and also lost responsibility for evaluating the public affairs officers (PAOs) in the field; PAO evaluations are no longer done by the area directors in Washington but by the Deputy Chiefs of Mission or Ambassadors. The Commission, while recognizing the impact these changes have had, believes that the PD country directors should make the best of their situation, as some already have.

The degree of integration of public diplomacy into the regional bureaus has been uneven, varying from bureau to bureau. Generally speaking, where the assistant secretary or principal deputy assistant secretary in a bureau has had experience overseas—and thus firsthand exposure to the value of public diplomacy and the role it can play—there is a greater appreciation for public diplomacy and its role.

In bureaus that include countries where the media are controlled by the state or where the country is relatively cut off from the world mainstream, public diplomacy can be especially important and influential. It is in these countries, in fact, that more resources for public diplomacy need to be deployed, even if, given the finite source of funding, they come at the expense of PD resources in other regions.

In Washington D.C., with the exception of the African Affairs Bureau, all public diplomacy sections are located in the same building as the regional bureaus themselves—the Main State Department building (recently renamed the Harry S. Truman Building). The African Affairs public diplomacy office remains in the former USIA building (SA-44 at 301 4th St., SW.), a 15-minute cab ride away from Main State where the rest of the bureau is located. Moving the Bureau for African Affairs public diplomacy office to Main State cannot happen quickly enough, for the physical separation has seriously handicapped efforts to integrate public diplomacy with the rest of the bureau. Nothing can substitute for the constant interaction with other

bureau personnel that can only occur by being co-located in the same building.

Yet, even being in the same building is not enough. For integration to really work, public diplomacy offices cannot remain several floors apart from the rest of the bureau. As one senior non-PD official interviewed noted, “The fact that my PD office is not co-located with the bureau is a major problem.” Finding space so that public diplomacy is co-located in the same building, on the same floor, and in the same general office space should be a top priority for the next administration. Aside from the administrative problems that have accompanied consolidation, physical separation will remain the biggest short-term obstacle.

At the same time, in moving those still in SA-44 closer to, or into Main State, the Department of State needs to be sensitive to the resistance to such a move among many in public diplomacy, especially those working in the administrative side of the former USIA. To the extent possible, the overall work environment that exists in SA-44—including vital Internet access—needs to be maintained following a move. Integration was jarring enough; a physical move of those left in SA-44 will be even more disruptive, and the Department of State needs to minimize the impact such a step will have on all personnel.

For the most part, the public diplomacy sections in the regional bureaus have remained separate offices, even while they have become more integrated into the operations of the bureaus. In several, the press/public affairs office, which deals mostly with the U.S. domestic audience, and the public diplomacy office, have been merged, although the PD and PA officers themselves remain separate to abide by the Smith-Mundt Act and funding that mandate such distinction. In many ways, combining PA and PD makes sense.

In this day and age with technology advancements, it is increasingly difficult to differentiate what the U.S. Government says to an American audience from what it says to a foreign audience. A Brazilian in Rio de Janeiro, much like an American in Des Moines, can just as easily log onto the website for the Main State Department as he/she can the website of the International Information Program (IIP),

which is geared toward a foreign audience. In fact, the legal necessity to produce different messages to different audiences can lead to policy problems down the road. As long as public diplomacy as a function is protected, the move toward PD–PA mergers should be encouraged.

A different problem involves attempts to disperse PD officers among the political desk officers. Unlike the PA–PD merger, which makes sense, the effort to break up the PD office by assigning its officers to other desks is designed, it appears, with the intent to get rid of public diplomacy as a function of the Department of State. This has been a particular problem in one of the regional bureaus where one senior non-PD official, in an interview, exposed a bias against public diplomacy officers who bid on senior jobs. The Department should not tolerate such attitudes among its senior management.

2. THE FUNCTIONAL BUREAUS

In a few functional bureaus, public diplomacy is working well; in others, it is either not working well or not working at all. For starters, placing PD officers in the functional bureaus has been far more difficult than it has been in the regional bureaus. Whereas slots that were created in the regional bureaus were logically filled by transferring USIA area personnel to these positions, slots created in the functional bureaus could not be filled easily by people in similar positions at USIA—for there were no equivalent positions at USIA for the functional bureau slots. Additionally, according to some interviewees, the functional bureaus were late in formalizing their positions, meaning that many potential public diplomacy candidates already had received assignments elsewhere by the time the functional bureaus were looking to fill their slots. And, little recruiting was done overseas by the functional bureaus to attract public diplomacy applicants.

With some exceptions, the regional bureaus have filled their PD positions with officers at a higher level than those the functional bureaus have sought. The relative shortage of mid-level Foreign Service officers in public diplomacy—and of Foreign Service officers in general, for that matter—has not helped the functional bureaus in their search to fill

these slots. In preferring officers at mid-level rather than senior-level, functional bureaus raise questions about the sincerity of their claims that public diplomacy is truly important to them.

Because PD officers lack familiarity with functional bureaus, the bidding for positions in the functional bureaus has lagged significantly behind that for the regional bureaus. This is a two-way street, of course, because functional bureaus, relative to the regionals, are also less familiar with public diplomacy. As a result, however, almost half of the PD positions in the functional bureaus have gone unfilled—in some cases, bureaus have gone a full year with all of their PD slots vacant. Some PD officers who started FY00 in functional bureaus left in frustration over the type of work they were expected to do and how they did, or did not, as the case may be, fit in.

The original plan was to create 27 full-time permanent positions in the functional bureaus to help devise PD strategies on regional, transnational, global, and thematic issues. The closest experience USIA had with such issues was through the former Bureau of Information, which was divided into both geographic and thematic offices. Many officers have opted to remain in the I Bureau, now known as the International Information Program (IIP), instead of joining the unfamiliar functional bureaus.

Exchanges play virtually no role in the functional bureaus, and so public diplomacy in these bureaus revolves around information dissemination. Much of the work that PD officers would perform in these bureaus is already being carried out by personnel in IIP, forcing most functional bureaus to work closely with IIP. One functional bureau official noted a “heavy reliance” on IIP for that bureau’s work on international conferences and treaty negotiations.

An additional problem is that the public diplomacy officers in the functional bureaus have no money to carry out programs, though they receive \$6,000 for administrative support. Functional bureau public diplomacy officers depend on regional bureaus or the Under Secretary’s Office to find funds to support program initiatives. This dilemma reinforces the widely held perception that public diplomacy plays a less significant role in the functional bureaus than it does in the regional bureaus.

That public diplomacy in the functional bureaus depends to a large degree on cooperation with the regional bureaus and IIP does not mean that public diplomacy is redundant in the functional bureaus or that there is no role for PD in them. A key purpose for placing PD officers in these bureaus is to build liaisons with the rest of the public diplomacy community, both in Washington, D.C., and in the overseas posts, and to handle outreach to foreign audiences.

The next Under Secretary for Public Diplomacy and Public Affairs needs to address the resource imbalance if PD is to work in the functional areas. The rate of public diplomacy vacancy slots is another serious problem in the functional bureaus, and should it continue after the upcoming bidding cycle on positions, the Department should rethink how to attract PD officers to work in the functional bureaus.

3. ECA AND IIP

The Bureau for Educational and Cultural Affairs (ECA) and the Office for International Information Programs (IIP) have something in common with the Bureau for African Affairs Public Diplomacy Office—all three are still at SA-44. For consolidation to truly work and to have public diplomacy fully integrated into policymaking, both offices need to move closer to Main State. This is even more critical for IIP than ECA, but both need to be moved. (Some people in ECA and IIP actually prefer the distance from Main State and would rather stay in the smaller, more accessible, SA-44.) Virtually every public diplomacy officer located at Main State cited the physical separation from ECA and IIP as a problem that needs to be addressed.

Initially, the reorganization plan called for exchanges and information programs to be placed into one bureau, but this idea was abandoned; the two, as they were under USIA, have remained separate entities. (IIP, unlike ECA, is technically not a “bureau” but an “office,” and its head is not an assistant secretary, as ECA’s head is, but a coordinator, though IIP is considered equivalent to a bureau and the coordinator attends assistant

secretary meetings.) In some ways, consolidation has not been terribly disruptive for the work and operations of ECA and IIP as it left their structures more or less intact. Both exchanges and information programs have continued apace since last October. At the same time, adapting to State’s administrative and financial policies has been, in the words of one interviewee, a “nightmare” for both ECA and IIP.

a. IIP

Whereas the Department of State was one of a number of Government Agencies with whom IIP, or the “I” Bureau, worked closely in the preconsolidation days, State is now the principal focus of IIP’s work. This is not surprising, of course, given that IIP is now formally a part of the Department, but it also reflects IIP’s effective integration into State. With its full and unencumbered access to all facets of the Department, IIP plays a more active role at State than it ever did when it was under USIA. Before consolidation, IIP was largely field-driven in its products; since last October, it has been driven as much if not more by directives from Washington, D.C.

IIP has become the “operational arm” of the Department, as one IIP official stated. “IIP is PD,” he added. IIP’s single goal is advocacy of U.S. positions on a range of issues in the hope of drawing more countries and societies toward the United States, or at least toward a better understanding of U.S. policy.

Among traditional Department of State employees, there appears to be real appreciation for IIP products such as the Washington File. The Washington File is an electronic daily IIP produces of U.S. Government official texts, transcripts, and policy statements, as well as nongovernment sources of information, interpretive articles, and opinion pieces. Previously known as the Wireless File with origins dating to 1935, the Washington File is available to posts around the world on the IIP website and through email. One Foreign Service officer, referring to it as “the primary tool of the FSO,” said, “If we were cutting resources, the File would be the last to be cut.”⁷

⁷ “The Washington/Wireless File: ‘Long yet alive,’” *State*, May 2000, p. 19.

With about 270 employees, IIP covers both thematic and regional issues and makes full use of the Internet, with more than 80 percent of its programs online; IIP's homepage receives over 60 million visitors each year. Such reach does not go unnoticed in the Department. Public diplomacy officers in the regional, and especially in the functional, bureaus find IIP's products to be an invaluable tool for furthering policy. A number of non-PD Department officials share this view as well. In countries where the state controls the media but Internet access is available, IIP's work can provide an important outside source of information.

In addition to its web products and Washington File, IIP handles speakers by arranging digital video conferences with posts overseas and/or travel of Americans to other countries to make presentations. IIP officers work closely not only with the overseas posts but also with their public diplomacy counterparts in the Washington bureaus to get a sense of policy priorities; these are then reflected in IIP's products.

The major concern about IIP's future, aside from being in a separate building from Main State, is that it will be seen as simply providing a service to the other bureaus. The fact that it is an office and not a bureau in the hierarchical, title-conscious State Department connotes a downplaying of its importance. Although IIP is an "operational arm" of the Department, it runs the risk of being marginalized if it is perceived, as one person suggested, "like a 7-Eleven Store where people pick and choose what they want." IIP cannot develop programs in a vacuum, of course, but it should not be dismissed as a mere service provider. IIP's knowledge and use of technology is vital in this day and age to effectively further policy goals and objectives. That expertise should be sufficient to warrant IIP a place at State's table.

b. ECA

Exchanges remain one of the most obvious and effective tools of public diplomacy—and for that matter of diplomacy in general. As one senior non-PD Department official said, "Exchanges are one of

the most important things we do." President Clinton, during his visit to Moscow this past June, emphasized the importance of exchanges as well:

...[T]he most important Russian-American relationship still should be the relationship between our peoples — the student exchanges, the business partnerships, the collaboration among universities and foundations and hospitals, the sister city links, the growing family ties. Many of the Russians and Americans involved in these exchanges are very young. They don't even have any adult memories of the Cold War. They don't carry the burdens and baggage of the past; just the universal, normal desire to build a good future with those who share their hopes and dreams. We should do everything we can to increase these exchanges, as well.⁸

The Commission strongly endorses the President's call for more exchanges, not just in Russia, but worldwide. This will require not just rhetorical support but additional financial resources as well. There are few better ways to open non-Americans' eyes to U.S. culture, values, and society than through exchanges. Roughly 23,000 Americans and foreign nationals participate in State Department academic and professional exchange programs each year. More than 230,000 participants—86,000 Americans and 144,000 from other countries—have participated in the Fulbright Program alone since its inception more than 50 years ago, including Nobel and Pulitzer Prize winners, governors and senators, prime ministers and heads of state, scientists, artists, Supreme Court Justices, and CEOs.

Another program, the International Visitor Program, brings participants to the United States from all over the world each year for interaction with their professional counterparts, and to experience America firsthand. More than 186 current and former heads of state, 1,500 cabinet-level ministers, and many of the world's leaders in the private sector have participated in the IV Program. As one senior non-PD official said, "The IV Program is tremendously valuable in breaking an awful lot of stereotypes."

⁸ President Clinton's remarks to the Russian State Duma, June 5, 2000, as transcribed by Federal News Service.

The organization principally responsible for implementing exchanges is State's Bureau for Educational and Cultural Affairs, or ECA; the Agency for International Development (AID) is the other major financial source of exchange programs. As mentioned earlier, a counterproductive rivalry of sorts exists between the two. NGO officials complain that instead of collaboration between the two over parallel objectives, there is often competition that can be damaging to exchange programs in the field. At AID meetings on exchanges, one NGO interviewee said, ECA officials are rarely present, and vice versa. Compared to its relationship with AID, ECA's interaction with the posts overseas remains close and functions well. Consolidation has had virtually no effect on ECA's relationship with the field.

Consolidation in other respects has not gone so well for ECA. Despite the importance of exchanges, a widespread view in other bureaus is that ECA is isolated from the rest of the Department, significantly more so than IIP. The sense that ECA is isolated is a view that nongovernment organizations and even people who work in ECA itself share. This is attributable in part to ECA's being in a separate building, though this is also true for IIP.

Functional bureau public diplomacy officers have little contact with ECA staff, for exchanges are not a big part of what functional bureaus do. Regional bureau PD officers, by comparison, have significant interaction with their ECA colleagues. Yet, there is a mutually held—and unhealthy—view that both are isolated and out of the loop—ECA officials generally believe that the bureau public diplomacy people are isolated and bureau PD officers think the same about ECA. The continued physical separation between the two branches—where regional PD officers are in Main State and ECA remains stuck in SA-44—is worsening this sense of divide.

Like IIP, ECA is an operational bureau—it makes things happen. The Department of State does not truly understand this kind of action-oriented bureau and both ECA and State have had difficulty adjusting to each other. The leadership in IIP has done better in making the adjustment than has the ECA leadership. The ECA front office, as some

interviewees have commented, has a mindset that they are not, and should not be, part of the Department; that their unique function should keep them outside of State. The fact that they receive separate, earmarked appropriations for their work heightens this sense of uniqueness. Yet, they are part of the Department, whether they like it or not, and the thinking of ECA's leadership for the past year, should it continue, runs the risk of marginalizing ECA.

To some extent, IIP is more responsive to the immediate needs of the Department—it is able to place items on the Internet quickly and disseminate information at the click of a mouse. ECA, by comparison, is longer term. Exchanges, obviously, take time, and the Department of State is an institution not accustomed to thinking long term. Also, ECA, like State itself, is and has always been significantly more hierarchical than IIP, making it less flexible to respond to the challenges of integration; IIP, by comparison, is far more decentralized.

Many employees in ECA are dispirited by State's bureaucracy. As one interviewee noted, "Their mission is to have meetings and write papers that go up a chain of command. That's not what's done in exchanges." Another described the problems of transferring funds overseas, a process that under USIA used to take a week and that now takes 3–4 months. This imposes unfair financial burdens on the implementing organizations that handle exchanges and damages the relationships between ECA and the NGO community. Paperwork that implementing organizations must fill out is more time-consuming now than before consolidation, and authorization takes longer.

At the same time, as NGO's would quickly point out, preconsolidation ECA was not a perfect operation. The tendency of ECA officials toward micromanagement of grant programs is not, according to some NGO interviewees, a new phenomenon resulting from consolidation but a long-standing problem. "ECA needs to get away from the notion that every grant program needs a minder and handler," one interviewee said. "There's too much focus on process and not enough on the end results," complained another. The next Assistant Secretary of ECA faces a dual

challenge of improving the bureau's integration into the Department and working on its relationships with the NGO community. In recent months, there have been promising signs on at least the former challenge.

c. Office of Media Research and Analysis

One of the little noticed gems from USIA was the Office of Research and Media Reaction, which commissioned opinion polling abroad and compiled and analyzed foreign media reporting. This office, known in the Department by its initials INR/R, remains fairly autonomous within the Department of State's Intelligence and Research Bureau (INR). Unlike most of public diplomacy, which is involved in outreach activities, this office gathers foreign public opinion information for consumption in the United States. Integration has been beneficial to INR/R in that it has afforded the office, through the Assistant Secretary for INR, daily access to the top levels of the Department that did not really exist in the past. However, in working for State now, INR/R has lost some of the connection it formerly had with such other agencies as the Pentagon or AID. The INR Bureau needs to maintain the open-source nature of this office and recognize its value to both public diplomacy and traditional policy.

V. The Role of the Under Secretary

On October 1, 1999, Evelyn S. Lieberman was sworn in to a new position—Under Secretary for Public Diplomacy and Public Affairs. This position was created at the State Department under the reorganization to supervise three offices: the Bureau for Educational and Cultural Affairs (ECA), the Bureau for Public Affairs (PA), and the Office for International Information Programs (IIP). “[P]ublic diplomacy,” Lieberman remarked in her confirmation hearing, “practiced in harmony with traditional diplomacy, will enable us to advance our

interests, to protect our security, and to continue to provide the moral basis for our leadership in the world.”⁹ A former Director of the Voice of America and Assistant to the President and Deputy White House Chief of Staff, Lieberman made up for what she lacked in foreign affairs experience with her close ties to the Secretary of State and the President. Her clout has been very important to public diplomacy during its first year under the Department. Her attendance at the morning meetings with the Deputy Secretary affords public diplomacy the exposure and place it deserves.

Indeed, public diplomacy officers have high praise for Under Secretary Lieberman's role in raising the profile and level of awareness of public diplomacy within the Department. “She inherited an empty house and has done very well with it,” said one. “She knows how to cut to the chase,” said another. Added a third, “Lieberman has great access to the top levels of Government, something USIA hasn't had for years.” Many noted how she fights for resources vital to public diplomacy. She has spent the bulk of her time trying to resolve administrative problems and institutionalizing public diplomacy as a regular part of the Department so that her successor will inherit a normally functioning portfolio. In short, Lieberman has done a very good job during a difficult transition.

The Under Secretary is handicapped by the fact that two of the three bureaus within her jurisdiction—ECA and IIP—are, as previously noted, 15 minutes away from Foggy Bottom. A top priority of the next Under Secretary should be the physical consolidation of all bureaus at the State Department.

Lieberman has been careful, perhaps overly so, to avoid the impression that she is meddling in bureaus not within her area. The result is that the public diplomacy officers in regional and functional bureaus are orphaned to a degree; they report first to the deputy assistant secretaries and then assistant secretaries in their respective bureaus and then ultimately to another Under Secretary under State's Organizational Chart (see page 2). Accordingly, Lieberman has kept her distance, but to the point where some PD officers are unsure whom to turn to in times of need. “There is no one place to go in the

⁹ <http://www.state.gov/www/outreach/index.html>

Department for problems related to public diplomacy,” one PD officer complained. Most public diplomacy officers want more contact with her than the monthly meetings that occur. Even some senior non-PD officials in the Department have found it difficult to meet with her.

With a new administration entering office in 3 months, and as candidates are considered for various Government positions, the choice of the next Under Secretary for Public Diplomacy and Public Affairs will determine public diplomacy’s future. Lieberman’s shoes will be tough to fill. Her ideal successor should have her clout and stature combined with a strong familiarity with public diplomacy and foreign affairs more generally. The ability to work closely and get along with the relevant bureau assistant secretaries will also be crucial.

VI. Personnel and Morale

The next Under Secretary for Public Diplomacy and Public Affairs will face no greater challenge than that resulting from low morale among those working on public diplomacy issues. The demoralization that accompanied the dissolution of the U.S. Information Agency and the takeover by the Department of State of those who worked at USIA is not terribly unusual. It happens often in other organizations that are taken over by other, bigger organizations—in the government and in the private sector. Consolidation had a major impact on the lives of every USIA employee—positively and negatively. Life for administrative personnel in public diplomacy has become especially difficult as they learn to conform to State’s much more complicated and cumbersome procedures and regulations. Over time, the hope is that former USIA employees will grow accustomed to their new employer.

The morale issue is exacerbated by problems endemic to the State Department.¹⁰ Personnel are divided into cones—political, economic, consular,

and administrative—and public diplomacy became the fifth. The prevailing tendency among many traditional Department of State employees is to consider political and economic cone officers the cream of the crop. Public diplomacy, by comparison, is considered second tier. (Administrative and consular cone officers face similar bias, so this is not a problem unique to public diplomacy officers.) Moreover, the Department is largely a Foreign Service organization whereas USIA was largely Civil Service, and this creates a natural friction between the two camps.

At the same time, there has been evidence of cross-fertilization whereby some applicants for public diplomacy positions have come from the non-PD cones (and not just from the administrative and consular cones but from the political and economic as well). This is attributable, as some interviewees have said, because public diplomacy jobs are seen as good opportunities by those in the other cones. But employment opportunities must work both ways—qualified PD cone officers need to be able to obtain positions in other cones that they seek. The upcoming bidding process on jobs will reveal how well cross-fertilization is really progressing.

Consolidation has afforded ex-USIA employees career opportunities previously not available, from greater flexibility to move to other cones to the increased potential to become DCMs, Ambassadors, deputy assistant secretaries, and assistant secretaries. Like any organization, USIA had some great PD officers and some not so great, and some in-between. Now as employees of State, these employees deserve a fair shot at promotions and other jobs just like anyone else in the Department. The Commission believes that integration will truly be achieved only when the public diplomacy cone is treated no differently than other cones.

The state of morale at the Department is a very impressionistic issue to measure. Yet even non-PD officers interviewed for this report acknowledge the existence of a problem. The Department’s public diplomacy work is bound eventually to suffer if morale remains as low as it currently is perceived to be. The Commission believes that addressing this

¹⁰ See “As Diplomacy Loses Luster, Young Stars Flee State Dept.,” *New York Times*, Sept. 5, 2000, p. 1.

matter—for public diplomacy officers as well as for others working in the Department—should be at the top of the list of priorities for the next Secretary and Under Secretary for Public Diplomacy and Public Affairs.

VII. The PD Earmark

Funding for public diplomacy falls under the Commerce, Justice, and State Appropriations Bill and accounts for less than eight percent of the State Department's total budget. It is vital that Congress approves the necessary funding levels for public diplomacy, and its record on this score to date has been very encouraging. Equally important, Congress should maintain a hard earmark for public diplomacy, protecting its resources from the possibility that the State Department, under financial pressure of its own, would chip away at the PD account to fund other activities. The Administration has not requested such an earmark for public diplomacy, and in fact has opposed one, arguing that earmarks, in principle, are too binding and don't allow for flexibility to respond to potential crises.

For public diplomacy, the Commission believes that maintaining an earmark is vital. Public diplomacy, as the newest division in the State Department, needs the financial protection afforded by an earmark. This is especially true as Administration officials complain, with considerable justification, that the Department of State is inadequately funded for the non-PD aspects. State should not compensate for its overall shortfall by taking from the public diplomacy account, and the earmark ensures against this.

To be fair, the consolidation of USIA into State is not even a year old, and it will take several years for people from both organizations to fully learn about and adapt to each other. Until that time, however, it is vital that public diplomacy receive protected funding through earmarks. Only after the consolidation of USIA into the State Department is a distant memory will public diplomacy be an integral part of the Department and no longer need special attention. The Commission believes that point is several years away.

VIII. Recommendations

- 1)** Finding space so that all public diplomacy operations are co-located in the same vicinity as the rest of the Department should be a top priority for the next administration. At the same time, State needs to minimize the impact such a move will have on all personnel, for integration was jarring enough; physical relocation of those left in SA-44 will be even more disruptive.
- 2)** As long as public diplomacy as a function is protected from resource grabs, the move toward public diplomacy–public affairs mergers within bureaus should be encouraged.
- 3)** Bias against qualified public diplomacy officers who bid on senior jobs—simply because their background is in PD—should not be tolerated.
- 4)** The Department should rethink how to attract public diplomacy officers to work in the functional bureaus.
- 5)** The International Information Programs Office (IIP) should not be dismissed as a mere service provider. IIP's knowledge and use of technology is vital in this day and age to effectively further policy goals and objectives and that expertise should be sufficient to warrant IIP a place at State's table.
- 6)** The next Assistant Secretary of the Bureau for Educational and Cultural Affairs (ECA) should focus on improving the bureau's integration into the Department and working on its relationships with the nongovernmental (NGO) community.
- 7)** Addressing the low morale—for public diplomacy officers as well as for other Department of State employees—should be at the top of the list of priorities for the next Secretary of State and Under Secretary for Public Diplomacy and Public Affairs.
- 8)** Congress should continue earmarks for public diplomacy to ensure adequate funding for PD.



The U.S. Advisory Commission on Public Diplomacy, in its ongoing assessment of the State Department and its public diplomacy operations, welcomes your comments to this report and input for future studies. Please contact David Kramer, Executive Director of the Commission, by email at dkramer@pd.state.gov, by phone at (202) 619-4457, or by fax at (202) 619-5489. For more information, see:

<http://www.state.gov/r/adcompd>.

Department of State Publication 10781
U.S. Advisory Commission on Public Diplomacy
Released October 2000