SIX YEARS LATER (PART II): SMART POWER AND THE U.S. STRATEGY FOR SECURITY IN A POST-9/11 WORLD

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

NOVEMBER 6, 2007

Serial No. 110–128

Printed for the use of the Committee on Oversight and Government Reform

Available via the World Wide Web: http://www.gpoaccess.gov/congress/index.html
http://www.oversight.house.gov

U.S. GOVERNMENT PRINTING OFFICE

47–586 PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HENRY A. WAXMAN, California, *Chairman*

TOM LANTOS, California
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
CAROLYN B. MALONEY, New York
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
WM. LACY CLAY, Missouri
DIANE E. WATSON, California
STEPHEN F. LYNCH, Massachusetts
BRIAN HIGGINS, New York
JOHN A. YARMUTH, Kentucky
BRUCE L. BRALEY, Iowa
ELEANOR HOLMES NORTON, District of Columbia
BETTY McCOLLUM, Minnesota
JIM COOPER, Tennessee
CHRIS VAN HOLLEN, Maryland
PAUL W. HODES, New Hampshire
CHRISTOPHER S. MURPHY, Connecticut
JOHN P. SARBANES, Maryland
PETER WELCH, Vermont

TOM DAVIS, Virginia
DAN BURTON, Indiana
CHRISTOPHER SHAYS, Connecticut
JOHN M. McHUGH, New York
JOHN L. MICA, Florida
MARK E. SOUDER, Indiana
TODD RUSSELL PLATTS, Pennsylvania
CHRIS CANNON, Utah
JOHN J. DUNCAN, Jr., Tennessee
MICHAEL R. TURNER, Ohio
DARRELL E. ISSA, California
KENNY MARCHANT, Texas
LYNN A. WESTMORELAND, Georgia
PATRICK T. McHENRY, North Carolina
VIRGINIA FOXX, North Carolina
BRIAN P. BILBRAY, California
BILL SALI, Idaho
JIM JORDAN, Ohio

PHIL SCHILIRO, *Chief of Staff*
PHIL BARNETT, *Staff Director*
EARLEY GREEN, *Chief Clerk*
DAVID MARIN, *Minority Staff Director*

SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS

JOHN F. TIERNEY, Massachusetts, *Chairman*

CAROLYN B. MALONEY, New York
STEPHEN F. LYNCH, Massachusetts
BRIAN HIGGINS, New York

CHRISTOPHER SHAYS, Connecticut
DAN BURTON, Indiana
JOHN M. McHUGH, New York
TODD RUSSELL PLATTS, Pennsylvania

DAVE TURK, *Staff Director*

CONTENTS

	Page
Hearing held on November 6, 2007	1
Statement of:	
Armitage, Richard L., Commission on Soft Power, Center for Strategic and International Studies; and Joseph S. Nye, Jr., Ph.D., University distinguished service professor, Kennedy School of Government, Harvard University	13
Armitage, Richard L.	13
Nye, Joseph S., Jr.	96
Letters, statements, etc., submitted for the record by:	
Armitage, Richard L., Commission on Soft Power, Center for Strategic and International Studies, prepared statement of	15
McCollum, Hon. Betty, a Representative in Congress from the State of Minnesota, prepared statement of	12
Nye, Joseph S., Jr., Ph.D., University distinguished service professor, Kennedy School of Government, Harvard University, prepared statement of	100
Shays, Hon. Christopher, a Representative in Congress from the State of Connecticut, prepared statement of	8
Tierney, Hon. John F., a Representative in Congress from the State of Massachusetts, prepared statement of	4

SIX YEARS LATER (PART II): SMART POWER AND THE U.S. STRATEGY FOR SECURITY IN A POST–9/11 WORLD

TUESDAY, NOVEMBER 6, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 p.m., in room 2154, Rayburn House Office Building, Hon. John Tierney (chairman of the subcommittee) presiding.

Present: Representatives Tierney, Shays, Lynch, Higgins, McCollum, Van Hollen, Hodes, Welch, Platts, Turner, and Foxx.

Also present: Representative Thornberry.

Staff present: Dave Turk, staff director; Andy Wright and Andrew Su, professional staff members; Davis Hake, clerk; Dan Hamilton, fellow; Janice Spector and Christopher Bright, minority professional staff members; Todd Greenwood, minority legislative assistant; Nick Palarino, minority senior investigator and policy advisor; Benjamin Chance, minority clerk; and Mark Lavin, minority Army fellow.

Mr. TIERNEY. A quorum being present, the Subcommittee on National Security and Foreign Affairs' hearing entitled, "Six Years Later (Part II): Smart Power and the U.S. Strategy for Security in a Post-9/11 World," will come to order.

The Members will be allotted 5 minutes to give their opening statements if they so choose at which point we will move to opening statements for our witnesses.

I ask unanimous consent that the gentleman from Texas, Congressman Mac Thornberry, be allowed to participate in this hearing in accordance with the committee's rules and be allowed to question the witnesses after all official members of the subcommittee have had their first turn. Without objection, so ordered.

I ask unanimous consent that the hearing record be kept open for 5 business days so that all members of the subcommittee will be allowed to submit a written statement for the record. Without objection, that is so ordered as well.

I want to just welcome and thank everybody for attending the important discussion that we are going to have here today. The Subcommittee on National Security and Foreign Affairs conducts our second hearing in a series focused on long term U.S. national security strategy, 6 years after 9/11.

We are very fortunate today to engage in what I hope will be a robust and thought-provoking discussion with Secretary Armitage and Dean Nye. I thank both of you gentlemen for joining us today.

Thank you also to all the members of the CSIS Commission on Smart Power including subcommittee member Betty McCollum, and our guest Representative, Mac Thornberry. Thank you for the talents and experiences you poured into the report that is being discussed today.

It truly was an august commission. It was comprised of leaders from all three branches of government, from non-profits, academia and the business community. I found the report to be insightful, and I think it will serve as a good jumping-off point for our discussion today.

In the interest of spending as much time engaging in that robust discussion as possible, I am going to try to keep my remarks on the brief side.

As I noted during the first hearing in the series, even with the amazing amount of money and energy expended and, more importantly, the lives lost, so far on military engagements and homeland security and intelligence since September 11, 2001, there remains an inescapable sense that ours is a national security policy adrift.

Unfortunately, I can't report progress in the intervening weeks since that first hearing. In fact, the world, more than ever, seems to be slipping away from our influence.

A nuclear and extremist-infected Pakistan is in full-blown crisis. Its path toward democracy has been barricaded by military rule, suspension of the Pakistani constitution and the suppression of civil institutions capable of dissent.

U.S.-Iran relations are at a nadir, and the Bush administration has ratcheted up its saber-rattling rhetoric, an issue that, tomorrow, this subcommittee will continue to explore in depth in our series, "Iran: Reality, Options and Consequences."

The prospect of a Turkish invasion into the Kurdish region of Northern Iraq conjures disastrous images of Turkish, United States and Iraqi forces at cross purposes on a single battlefield.

In the words of a panelist from our first hearing, we have yet to act with the "burst of creativity" that was the trademark of the United States at the beginning of the cold war.

Secretary Armitage and Dean Nye, the report you are issuing today will, I hope, help fill in this void.

The 9/11 Commission rightly concluded, "long-term success demands the use of all elements of national power." Not only does your report offer concrete and innovative ways to do just that, it also does something else I think is incredibly helpful.

Your report spells out the path for our country to get back on the offensive, and by that, I don't mean in the military sense. You note in the very first paragraph of your executive summary, "the United States must move from eliciting fear and anger to inspiring optimism and hope."

We have had a lot of the fear-mongering and the anger going on, and I think it is being reinforced every day. It was refreshing to read the charge to inspire optimism and hope.

In the words of CSIS President and CEO, John Hamre, this means going back to the root of what makes America great, the

fact that we are a country of both "big ideas and common sense;" that our country has a "unique blend of optimism and pragmatism."

These are the ideals that I think have made our country as great as it is today, the ideals that make Americans proud to be Americans and the ideals that cause the rest of the world to want to follow us. Secretary Armitage and Dean Nye, as you rightly point out, these are the ideals, when pragmatically implemented, that will in the long term best secure the safety of our Nation, for us, our children and for our grandchildren.

We live in dangerous world desperate for positive U.S. leadership—leadership borne of a coherent, effective and honorable national security strategy. And I have no doubt that at our core, the American people have the heart, the fortitude and the imagination to overcome current challenges.

In 1963, Martin Luther King, Jr., reminded us of the "fierce urgency of now." It is well past time that we heed that call, and I thank you for your contribution to that with your report.

Mr. Shays.

[The prepared statement of Hon. John F. Tierney follows:]

HENRY A. WAXMAN, CALIFORNIA
CHAIRMAN

TOM DAVIS, VIRGINIA
RANKING MINORITY MEMBER

ONE HUNDRED TENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

Majority (202) 225 5051
Minority (202) 225 5074

Opening Statement of Chairman John F. Tierney

"Six Years Later (Part II): 'Smart Power' and the U.S. Strategy for Security in a Post-9/11 World."

November 6, 2007

Welcome, and thank you all for attending this important discussion.

Today, the Subcommittee on National Security and Foreign Affairs conducts our second hearing in a series focused on long-term U.S. national security strategy six years after 9/11.

We are very fortunate today to engage in what I hope will be a robust and thought-provoking discussion with Secretary Armitage and Dean Nye. Thank you gentlemen for being with us.

Thank you also to all the members of the CSIS Commission on "Smart Power" – including Subcommittee Member Betty McCollum, and our guest, Representative Mac Thornberry – for the talents and experiences you poured into the report that is being issued today.

This was truly an august commission comprised of leaders from all three branches of the government, non-profits, academia, and the business community. I found your report to be insightful, and it will serve as the jumping-off point for our discussion today.

And in the interests of spending as much time engaging in this robust discussion as possible, I'm going to keep my opening comments brief.

As I noted during the first hearing in this series, even with the amazing amount of money and energy expended – and more importantly lives lost – so far on military engagements, homeland security, and intelligence since September 11, 2001, there remains an inescapable sense that ours is a national security policy adrift.

Unfortunately, I can't report progress in the intervening weeks since that first hearing. In fact, the world, more than ever, seems to be slipping away from our influence:

- A nuclear and extremist-infected Pakistan is in full-blown crisis. Its "path" toward democracy has been barricaded by military rule, suspension of the Pakistani Constitution, and the suppression of civil institutions capable of dissent.
- U.S. / Iran relations are at a nadir, and the Bush Administration has ratcheted up its saber-rattling rhetoric – an issue that, tomorrow, this Subcommittee will continue to explore in-depth in our series: "Iran: Reality, Options, and Consequences."
- The prospect of a Turkish invasion into the Kurdish region of northern Iraq conjures disastrous images of Turkish, U.S., and Iraqi forces, at cross purposes, on a single battlefield.

In the words of a panelist from our first hearing, we have yet to act with the "burst of creativity" that was the trademark of the United States at the beginning of the Cold War.

Secretary Armitage and Dean Nye, the report you are issuing today will, I hope, help fill-in this void.

The 9/11 Commission rightly concluded, and I quote, "long-term success demands the use of all elements of national power." Not only does your report offer concrete and innovative ways to do just that, it also does something else I think is incredibly helpful.

Your report spells out the path for our country to get back on the offensive, and I don't mean that in a military sense. You note in the very first paragraph of the Executive Summary that, and I quote, "the United States must move from eliciting fear and anger to inspiring optimism and hope."

In the words of CSIS President and CEO, John Hamre, this means going back to the root of what makes America great – the fact that we are a country of both "big ideas and common sense;" that our country has a "unique blend of optimism and pragmatism."

These are the ideals that I think have made our country as great as it is today; the ideals that make Americans proud to be Americans; and the ideals that cause the rest of the world to want to follow us. And, Secretary Armitage and Dean Nye, as you rightly point out, these are the ideals – when pragmatically implemented – that will, in the long-term, best secure the safety of our nation – for us, for our children, and for our grandchildren.

We live in a dangerous world desperate for positive U.S. leadership – leadership borne of a coherent, effective, and honorable national security strategy. And I have no doubt that, at our core, the American people have the heart, fortitude, and imagination to overcome our current challenges.

In 1963, Martin Luther King, Jr. reminded us of the "fierce urgency of now." It is well past time we heed that call.

Mr. SHAYS. Thank you, Chairman Tierney, for holding this second hearing examining U.S. national security strategies. This subcommittee began looking at this issue even before September 11, 2001, so I am pleased we are continuing this important work.

Today, we are joined by two very distinguished witnesses, Joseph Nye, and Richard Armitage, co-chairs of the Center for Strategic and International Studies Commission on Smart Power. I will leave it to the commissioners to explain their project, but I would like to go on record that I agree with its conclusion, "America must revitalize its ability to inspire and persuade rather than merely rely upon its military might."

That is true because today we face a different type of enemy, and we have been slow to react to this new threat.

In 1985, President Ronald Reagan recalled the horrors of the Iranian hostage crisis and the bombing of the U.S. Marine barracks in Beirut. He said, "There is a temptation to see the terrorist acts as simply the erratic work of a small group of fanatics. We make this mistake at grave peril, for the attacks on America, her citizens, her allies and other democratic nations in recent years do form a pattern of terrorism that has strategic implications and political goals."

In that statement, President Reagan described what has become an overriding concern for the United States and its allies, terrorism. President Reagan foresaw what the world saw unfold on September 11, 2001, that terrorists would not be deterred by geographic, political or moral borders.

President Reagan understood terrorists had their own political philosophy that makes them inherently at war with nations that subscribe to democracy and freedom, and he predicted the failure to take seriously the warped ideology of Islamic fundamentalists would lead to dire consequences for this Nation and our allies.

During President Clinton's administrations, several commissions, Bremer, Gilmore and Hart-Rudman concluded we needed to recognize the threat. We need to recognize the threat, develop a comprehensive strategy to confront that threat, and improve, reorganize our government structure to implement the strategy.

President Bush inherited a loose collection of Presidential directives and law enforcement plans from President Clinton that proved to be dramatically flawed. Regretfully, before September 11, 2001, the Bush administration did not address these flaws. The bottom line at the time of the 2001 attacks, the United States had been operating for years without a comprehensive strategy to protect us from our enemies.

The current U.S. national security strategy acknowledges and reaffirms the reality that when all other methods fail, our leaders must have the option to proactively use force to protect the lives of our citizens.

What we have learned over the past three decades is our strategies cannot be based on the naive assumption that governments and particularly groups committed to both sponsoring terrorism and acquiring weapons of mass destruction won't use them. September 11th taught us there is no red line the terrorists won't cross.

We need to keep in mind no matter how many incentives or disincentives we develop, some terrorists are intent on our destruction no matter the cost. Diplomacy which is not backed up by military might is meaningless. However, as the Commission points out, we may have been relying too much on military power and have neglected traditional instruments of soft power such as intense dialog and diplomacy.

With this in mind, I look forward to the testimony from our distinguished witnesses and I hope, Mr. Chairman, you will hear from other groups and commissions. In fact, I know you will. I thank you for your intent to hear from other groups and commissions about their views on how to improve our national strategy in environment where terrorist cells may be more of a threat than unfriendly nations.

[The prepared statement of Hon. Christopher Shays follows:]

HENRY A. WAXMAN, CALIFORNIA
CHAIRMAN

TOM DAVIS, VIRGINIA
RANKING MINORITY MEMBER

ONE HUNDRED TENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

Majority (202) 225-5051
Minority (202) 225-5074

Statement of Congressman Christopher Shays
Ranking Member Subcommittee on National Security and Foreign Affairs
"Six Years Later (Part II): 'Smart Power" and the US Strategy for a Post 9/11 World."
November 6, 2007

Thank you, Chairman Tierney, for holding this second hearing examining US national security strategies. This Subcommittee began looking at this issue even before September 11, 2001, so I am pleased we are continuing this important work.

Today we are joined by two distinguished witnesses, Joseph Nye and Richard Armitage, Co-Chairs of the Center for Strategic and International Studies' Commission on Smart Power.

I will leave it to the Commissioners to explain their project, but I would like to go on record that I agree with its conclusion—"America must revitalize its ability to inspire and persuade rather than merely rely upon its military might." That is true because today we face a different type of enemy.

And we have been slow to react to this new threat.
In 1985, President Ronald Reagan recalled the horrors of the Iran hostage crisis and the bombing of the US Marine barracks in Beirut. He said:

"There is a temptation to see the terrorist acts as simply the erratic work of a small group of fanatics. We make this mistake at great peril, for the attacks on America, her citizens, her allies and other democratic nations in recent

years do form a pattern of terrorism that has strategic implications and political goals."

In that statement President Reagan described what has become an overriding concern for the United States and its allies: terrorism. President Reagan foresaw what the world saw unfold on September 11, 2001, that terrorists would not be deterred by geographic, political or moral borders.

President Reagan understood terrorists had their own political philosophy that makes them inherently at war with nations that subscribe to a democratic system of government. And he predicted the failure to take seriously the warped ideology of Islamic fundamentalists would lead to dire consequences for this nation and our allies.

During President Clinton's Administration several commissions—Bremer, Gilmore and Hart-Rudman—concluded we need to recognize the threat, develop a comprehensive strategy to confront that threat and improve our government structure to implement the strategy.

President Bush inherited a loose collection of presidential directives and law enforcement plans from President Clinton that proved to be dramatically flawed. Regretfully before September 11, 2001, the Bush Administration did not address these flaws.

The bottom line…at the time of the 2001 attacks, the United States had been operating for years without a comprehensive strategy to protect us from our enemies.

The current US National Security Strategy acknowledges the reality that, when all other methods fail, our leaders must have the option to proactively use force to protect the lives of our citizens.

What we have learned over the past three decades is our strategies cannot be based on the naïve assumption that governments or groups committed to both sponsoring terrorism and acquiring weapons of mass destruction won't use them. September 11, 2001 taught us there is no red line the terrorists won't cross.

We need to keep in mind no matter how many incentives or disincentives we develop some terrorists are intent on our destruction no matter the cost. Diplomacy which is not backed up by military might is meaningless.

However, as the Commission points out we may have been relying too much on military power and have neglected traditional instruments of soft power, such as intense dialogue and diplomacy.

With this in mind I look forward to the testimony from our distinguished witnesses, and I hope Mr. Chairman we will hear from other groups and commissions about their views on how to improve our national strategy in an environment where terrorist cells may be more of a threat than unfriendly nations.

Mr. TIERNEY. Thank you, Mr. Shays.

Ms. McCollum, you are recognized for 5 minutes.

Ms. MCCOLLUM. Thank you, Mr. Chairman, and I won't take all 5 because I am hoping we will have an opportunity for robust questions.

Mr. Chairman, I want to thank you for your kinds words and let you know that it has been an honor to serve as a member of the Smart Power Commission along with our House colleague, Mac Thornberry, who is here with us today. I want to publicly thank our witnesses today, Richard Armitage and Joseph Nye, for their leadership as Co-Chairs of the Commission.

The Center for Strategic and International Studies took the challenge of exploring America's current standing in the world and how to put forward a concrete recommendation to restore America's leadership using all of the tools in our strategic and foreign policy toolbox. I want to stress again, this study looked at America's standing in the world and what we need to do to change America's standing in the world to where it was only a few short years ago, one of respect, one of hope, one of optimism.

We are the world's largest military. We are the world's greatest military power. We are the world's greatest economic power. Yet, in January 2009, the next President who will be leading our Nation will face tremendous challenges in this world. The world community wants U.S. leadership, not unilateral power where we dictate and expect other countries to yield to our policies.

The Smart Power report makes recommendations for America's re-engagement in the world, using our capacity to improve lives and, by doing so, we create security and inspire hope. In short, again, we must use our power to once again become a world in which America is admired, a world in which America is once against respected and wanted as a partner.

Mr. Chairman, I hope my colleagues in Congress will take this report seriously. Next year as we commence looking at the fiscal year 2009 the new President will inherit, I hope these recommendations are carefully considered in the future by this Congress, and I thank you so much again for having this hearing but including the Smart Power report as part of it.

I yield back.

[The prepared statement of Hon. Betty McCollum follows:]

Congresswoman Betty McCollum
Committee on Oversight and Government Reform
Subcommittee on National Security and Foreign Affairs
"Smart Power and the U.S. Strategy for Security in a Post 9/11 World"
November 6, 2007

Mr. Chairman, it has been an honor to have served as a member of the "Smart Power Commission" along with our House colleague Mac Thornberry, and I want to publicly thank our witnesses today, Richard Armitage and Joseph Nye, for their leadership as co-chairs of the commission.

The Center for Strategic and International Studies took on the challenge of exploring America's current standing in the world and how best to put forth concrete recommendations to restore American leadership using all the tools in our strategic and foreign policy tool box.

This nation is the world's greatest military power. We are the greatest economic power.
Yet, in January 2009, the next president will be leading a nation that faces tremendous challenges in the world.

The world community wants U.S. leadership, but not unilateral power where we dictate and expect other countries and peoples to yield to our policies.

This Smart Power report makes recommendations for America's reengagement in the world using our capacity to improve lives, create security and inspire hope.

In short, we must use our power to become, once again, the America the world admires, respects and wants as a partner.

Mr. Chairman, I hope my colleagues in Congress take this report seriously.

Next year, as we commence looking at the Fiscal Year 2009 the new president will inherit, I hope these recommendations are considered carefully.

Thank you.

Mr. TIERNEY. Thank you, Ms. McCollum. Because your colleagues are so taking this seriously, they are going to all forego their statements. They have 5 days to place their statements on the record.

We would like to go right to our witnesses, if we could. I want to begin by introducing our panel.

The Honorable Richard L. Armitage, Secretary Armitage has a distinguished record of service in our country including as a decorated Vietnam veteran, as an Assistant Secretary of Defense for International Security Affairs from 1983 to 1989 and as Deputy Secretary of State from 2001 to 2005. Secretary Armitage is currently president of Armitage International.

Joseph S. Nye, Jr., Ph.D., Dr. Nye, Dean Nye served our country as chairman of the National Intelligence Council from 1993 to 1994 and as Assistant Secretary of Defense for International Security Affairs from 1994 to 1995. He has also served as dean of Harvard Kennedy School of Government. Dean Nye is one of the foremost foreign policy authors of our day, having written books such as Soft Power: The Means to Success in World Politics.

Welcome to you both.

It is the policy of our subcommittee to swear you in before you testify.

[Witnesses sworn.]

Mr. TIERNEY. The record will please reflect that both witnesses answered in the affirmative.

Mr. SHAYS. Would we note that Mr. Armitage was slow in getting out of his chair? [Laughter.]

Mr. TIERNEY. He is bigger than I am. You can notice if you want.

Your full written reports will be put on the record, and I believe with unanimous consent we can put a copy of the entire prepublication report in as well.

We will give you 5 minutes, but we would like to be a little flexible on that. We understand this report is very important, and we would like very much to hear from each of you. So, please proceed.

STATEMENTS OF RICHARD L. ARMITAGE, COMMISSION ON SOFT POWER, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES; AND JOSEPH S. NYE, JR., PH.D., UNIVERSITY DISTINGUISHED SERVICE PROFESSOR, KENNEDY SCHOOL OF GOVERNMENT, HARVARD UNIVERSITY

STATEMENT OF RICHARD L. ARMITAGE

Mr. ARMITAGE. Chairman, I am delighted. I will take 2 minutes rather than the 5.

I am delighted again to be in front of Mr. Shays, a man of great conscience. I know from my own personal experience with him during the run-up and aftermath of Iraq, the way he did his business, I think, was a great lesson to me in how to be involved in good governance.

Ms. McCollum and Mr. Thornberry, it is good spending the day with you, and I am the better for it.

Mr. Chairman, let me tell you what this report is about. This report is about prolonging and preserving our American preeminence as a force for good as long as is humanly possible. It is a report

about how to complement U.S. military and economic might which must not only be maintained but strengthened with greater focus on American soft power which, in our view of the Commission, has atrophied in recent years.

Mr. Chairman, as you mentioned, after 9/11, we started exporting something that was foreign to us. It was strange. We were exporting our fear and our anger, showing a sort of snarling face to the world rather than the more traditional exports that Ms. McCollum spoke about of hope, of optimism and opportunity.

Now, we on the Commission believe that at the core of the problem is that we have made the War on Terror the central component of our global organization.

To be sure, terrorism is real and it is a growing threat, but the fact of the matter remains that, absent access to WMD, the terrorists do not pose an existential threat to our way of life. They can hurt us. They have hurt us. They will try to hurt us again, but they can't change our way of life. However, we can change our way of life by the way we react to them.

If we react through the excessive use of force or rejection of policies that are important to our friends and to our allies, if we appear to put ourselves above international legal norms, that encourages rather than counters terrorist recruitment overseas.

Through some of our counter-terrorism policies, we have established a reputation for holding a double standard. That, indeed, has hurt our ability to engage certain partners and allies. We have to strike that balance between the use of force against violent extremism and other means of combating terrorism.

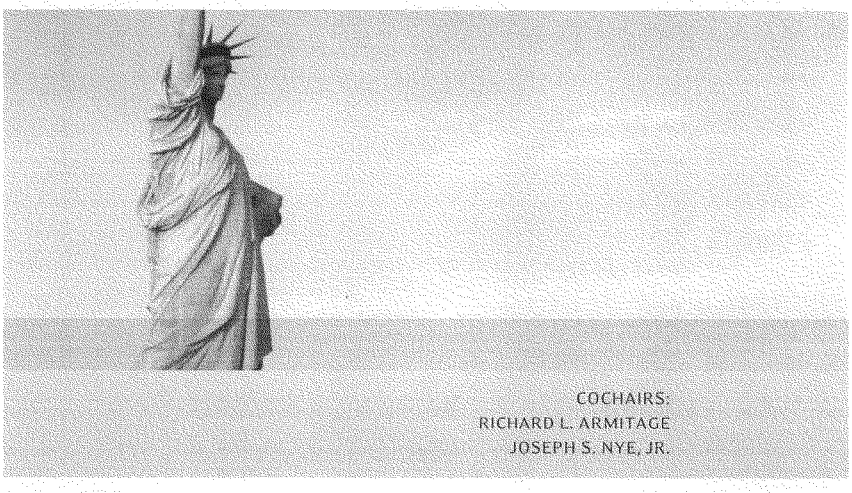
Today, more than ever, after 6 years of war, our military is overstretched, and they are weary. Our military is still the best in the world, but it needs to be reset. However, investments in our military should not come at the expense of investments in our civilian tools of power nor vice versa. I guess what I am saying is we need guns and butter.

I will stop there, Mr. Chairman, and turn it over to Joe.

[The prepared statement of Mr. Armitage follows:]

CSIS COMMISSION ON SMART POWER

A smarter, more secure America.



COCHAIRS:
RICHARD L. ARMITAGE
JOSEPH S. NYE, JR.

CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

PRE-PUBLICATION DRAFT

CSIS COMMISSION ON SMART POWER

A smarter, more secure America.

COCHAIRS:
RICHARD L. ARMITAGE
JOSEPH S. NYE, JR.

CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

ABOUT CSIS

In an era of ever-changing global opportunities and challenges, the Center for Strategic and International Studies (CSIS) provides strategic insights and practical policy solutions to decisionmakers. The Center conducts research and analysis and develops policy initiatives that look into the future and anticipate change.

Founded by David M. Abshire and Admiral Arleigh Burke at the height of the Cold War, CSIS was dedicated to the simple but urgent goal of finding ways for America to survive as a nation and prosper as a people. Since 1962, CSIS has grown to become one of the world's preeminent public policy institutions.

Today, CSIS is a bipartisan, nonprofit organization headquartered in Washington, D.C. More than 220 full-time staff and a large network of affiliated scholars focus their expertise on defense and security; on the world's regions and the unique challenges inherent to them; and on the issues that know no boundary in an increasingly connected world.

Former U.S. Senator Sam Nunn became chairman of the CSIS Board of Trustees in 1999, and John J. Hamre has led CSIS as its president and chief executive officer since April 2000.

CSIS COMMISSION ON SMART POWER

A smarter, more secure America

Cochairs

RICHARD L. ARMITAGE, president, Armitge International

JOSEPH S. NYE, JR., distinguished service professor, Harvard University

Commissioners

NANCY LANDON KASSEBAUM BAKER, former U.S. senator (R-KS)

FREDERICK D. BARTON, senior adviser and codirector, Post-Conflict Reconstruction Project, CSIS

CHARLES G. BOYD, president and CEO, Business Executives for National Security

HELENE GAYLE, president and CEO, CARE USA

ALLAN E. GOODMAN, president, Institute for International Education

MAURICE R. GREENBERG, chairman and CEO, C.V. Starr, Inc.

CHUCK HAGEL, U.S. senator (R-NE)

SYLVIA MATHEWS BURWELL, president of the Global Development Program, Bill & Melinda Gates Foundation

BETTY MCCOLLUM, U.S. representative (D-MN)

SANDRA DAY O'CONNOR, retired Supreme Court justice

THOMAS R. PICKERING, former U.S. ambassador and vice chairman, Hills & Company

JACK REED, U.S. senator (D-RI)

DAVID M. RUBENSTEIN, cofounder and managing director, The Carlyle Group

GEORGE RUPP, president and CEO, International Rescue Committee

MAC THORNBERRY, U.S. representative (R-TX)

TERENCE A. TODMAN, retired career ambassador and former assistant secretary of state

ANTHONY C. ZINNI, former commander in chief, U.S. Central Command and executive vice president, DynCorp International

JOHN ZOGBY, president and CEO, Zogby International

CSIS does not take specific policy positions; accordingly, all views expressed herein should be understood to be solely those of the commission members or individual author(s).

© 2007 by the Center for Strategic and International Studies. All rights reserved.

Library of Congress Cataloging-in-Publication Data

CSIS Commission on Smart Power.
CSIS Commission on Smart Power : a smarter, more secure America / cochairs, Richard L. Armitage, Joseph Nye, Jr.
p. cm.
Includes bibliographical references.
ISBN 978-0-89206-510-3 (pbk. : alk. paper) 1. United States—Foreign relations—2001– 2. Power (Social sciences)—United States. 3. Economic assistance—United States. 4. Technical assistance—United States. 5. Military assistance—United States. I. Armitage, Richard Lee, 1945– II. Nye, Joseph S. III. Center for Strategic and International Studies (Washington, D.C.) IV. Title. V. Series.

JZ1480.A5C75 2007
327.73—dc22 2007044184

Cover Photo:
iStockImages.com – Statue of Liberty, New York, NY
Inside:
AusAID.com – page 7: aid in Sudan; Fotolia.com – page 44: river as source of water, page 53: Shanghai, page 57: wind energy plant, page 63: military medical trucks; Getty Images – pages 6: U.S. Special Forces assist training of Iraqi Army Units, 32: flag carriers; iStockPhoto.com – pages 20: crowd at protest, page 21: pipeline, page 22: Rio de Janeiro, page 36: UN disaster relief, page 49: foreign language dictionaries, page 54: foreign currency, page 57: Vatnojokull glacier, Iceland; Liz Lynch – pages 3, 9, 11, 19, 24, 29, 30, 33, 37, 42, 45, 48, 50, 51, 52, 55, 56, 57, 59, 60, 65, 66: Smart Power commissioners; Ruth Fremson/Redux Pictures – Page 26: China; Simon Ho – UN Security Council

The CSIS Press
Center for Strategic and International Studies
1800 K Street, N.W., Washington, D.C. 20006
Tel: (202) 775-3119 Fax: (202) 775-3199
E-mail: books@CSIS.org Web: www.csis.org

CONTENTS

Executive Summary 1

Foreword 3
Restoring America's Inspirational Leadership
By John J. Hamre

Introduction 5
How America Can Become a Smarter Power
By Richard L. Armitage and Joseph S. Nye, Jr.

Commission Report 15

Part I: Diagnosis: Waning Influence 17

Part II: A Smart Power Strategy 27

1. Alliances Partnerships, and Institutions 27
Rebuilding the foundation to
deal with global challenges

2. Global Development 37
Developing a more unified approach,
starting with public health

3. Public Diplomacy 47
Improving access to international
knowledge and learning

4. Economic Integration 53
Increasing the benefits of trade for all people

5. Technology and Innovation 57
Addressing climate change and
energy insecurity

Part III: Restoring Confidence in Government 61

Appendix 69

About the Commissioners 71

How the Commission Functioned 75

CSIS Contributors 77

EXECUTIVE SUMMARY

America's image and influence are in decline around the world. To maintain a leading role in global affairs, the United States must move from eliciting fear and anger to inspiring optimism and hope.

In 2006, CSIS launched a bipartisan Commission on Smart Power to develop a vision to guide America's global engagement. This report lays out the commission's findings and a discrete set of recommendations for how the next president of the United States, regardless of political party, can implement a smart power strategy.

The United States must become a smarter power by once again investing in the global good—providing things people and governments in all quarters of the world want but cannot attain in the absence of American leadership. By complementing U.S. military and economic might with greater investments in soft power, America can build the framework it needs to tackle tough global challenges.

Specifically, the United States should focus on five critical areas:

- Alliances, partnerships and institutions: The United States must reinvigorate the alliances, partnerships, and institutions that serve our interests and help us to meet twenty-first century challenges.

- Global development: Elevating the role of development in U.S. foreign policy can help the United States align its own interests with the aspirations of people around the world.

- Public diplomacy: Bringing foreign populations to our side depends on building long-term, people-to-people relationships, particularly among youth.

- Economic integration: Continued engagement with the global economy is necessary for growth and prosperity, but the benefits of free trade must be expanded to include those left behind at home and abroad.

- Technology and innovation: Energy security and climate change require American leadership to help establish global consensus and develop innovative solutions.

Implementing a smart power strategy will require a strategic reassessment of how the U.S. government is organized, coordinated, and budgeted. The next president should consider a number of creative solutions to maximize the administration's ability to organize for success, including the appointment of senior personnel who could reach across agencies to better align strategy and resources.

FOREWORD | RESTORING AMERICA'S INSPIRATIONAL LEADERSHIP

By John J. Hamre

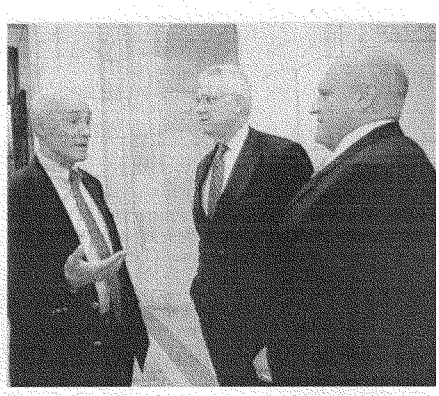
America is a country of big ideas and common sense. A big idea was saying that we would put a man on the moon. Common sense was knowing which complex tasks would achieve that goal and putting in place a structure to accomplish them. We have been fortunate as a nation that when the chips have been down, we have found leaders who possess the vision to see what the world could be and the good sense to know what it will take to get there.

The vision and determination of these great men and women have lifted up Americans and people all over the world in ways that few would have ever dreamed. The rest of the world continues to look to us for our unique blend of optimism and pragmatism.

We have all seen the poll numbers and know that much of the world today is not happy with American leadership. Even traditional allies have questioned American values and interests, wondering whether they are compatible with their own. We do not have to be loved, but we will never be able to accomplish our goals and keep Americans safe without mutual respect.

There is a moment of opportunity today for our political leaders to strike off on a big idea that balances a wiser internationalism with the desire for protection at home. Washington may be increasingly divided, but Americans are unified in wanting to improve their country's image in the world and their own potential for good. We see the same hunger in other countries for a more balanced American approach and revitalized American interest in a broader range of issues than just terrorism. And we hear everywhere that every serious problem in the world demands U.S. involvement.

Of course, we all know the challenges before us. The center of gravity in world affairs is shifting to Asia. The threat America faces from nuclear proliferation, terrorist organizations with global reach, and weak and reckless states cannot be easily contained and is unlikely to diminish in our lifetime. As the only global superpower, we must manage multiple crises simultaneously where regional competitors can focus their attention and efforts. A globalized world means that vectors of prosperity can quickly become vectors of insecurity.



Joseph S. Nye, John J. Hamre, and Richard L. Armitage

These challenges put a premium on strengthening capable states, alliances, partnerships, and institutions. In this complex and dynamic world of changing demands, we greatly benefit from having allies, alliances, and institutions that can help manage problems. But we can no longer afford to see the world through only a state's narrow perspective. Statehood can be a fiction that hides dangers lurking beneath. We need new strategies

that allow us to contend with non-state actors and new capabilities to address faceless threats—like energy insecurity, global financial instability, climate change, pandemic disease—that know no borders. We need methods and institutions that can adapt to new sources of power and grievance almost certain to arise.

Military power is typically the bedrock of a nation's power. It is understandable that during a time of war we place primary emphasis on military might. But we have learned during the past five years that this is an inadequate basis for sustaining American power over time. America's power draws just as much from the size of its population and the strength of its economy as from the vitality of our civic culture and the excellence of our ideas. These other attributes of power become the more important dimensions.

A year ago, we approached two of our trustees—Joe Nye and Rich Armitage—to chair a CSIS Commission on Smart Power, with a goal of issuing a report one year before the 2008 elections. We imposed the deadline for two reasons. First, we still have a year with the Bush presidency wherein these important initiatives can be furthered. Second, looking ahead to the next presidency, we sought to place before candidates of both parties a set of ideas that would strengthen America's international standing.

This excellent commission has combined that essential American attribute—outlining a truly big idea and identifying practical, tangible actions that would help implement the idea. How does America become the welcomed world leader for a constructive international agenda for the twenty-first century? How do we restore the full spectrum of our national power? How do we become a smart power?

This report identifies a series of specific actions we recommend to set us on that path. CSIS's strength has always been its deep roots in Washington's defense and security establishment. The nature of security today is that we need to conceive of it more broadly than at any time before. As the commission's report rightly states, "Today's central question is not simply whether we are capturing or killing more terrorists than are being recruited and trained, but whether we are providing more opportunities than our enemies can destroy and whether we are addressing more grievances than they can record."

There is nothing weak about this approach. It is pragmatic, optimistic, and quite frankly, American. We were twice victims on 9/11. Initially we were victimized by the terrorists who flew airplanes into buildings and killed American citizens and foreigners resident in this country. But we victimized ourselves the second time by losing our national confidence and optimism. The values inherent in our Constitution, educational institutions, economic system, and role as respected leader on the world stage are too widely admired for emerging leaders abroad to turn away for good. By becoming a smarter power, we could bring them back sooner.

What is required, though, is not only leadership that will keep Americans safe from another attack, but leadership that can communicate to Americans and the world that the safety and prosperity of others matters to the United States. The Commission on Smart Power members have spoken to such a confident, inspiring, and practical vision. I am sure they will not be the last.

INTRODUCTION | HOW AMERICA CAN BECOME A SMARTER POWER

By Richard L. Armitage and Joseph S. Nye, Jr.

This report is about power and how America wields it in the world.

The United States has been at war for six years now. During this time, debates over the best use of American power have tended to focus almost exclusively on fighting in Iraq and on the struggle against terrorists and violent extremism. Do we have the strategy and tools to succeed? What would constitute victory? What role should our military play? These questions have defied easy answers and divided a weary but determined nation.

The war debates will continue into 2008 and beyond. This report, to the extent possible, seeks to replace the narrow lens focused on Iraq and terrorism with a broader one that looks at U.S. goals, strategies, and influence in today's world. What principles should guide U.S. foreign policy in the next administration?

Our view, and the collective view of this commission, is that the United States must become a smarter power by investing once again in the global good—providing things that people and governments in all quarters of the world want but cannot attain in the absence of American leadership. By complementing U.S. military and economic might with greater investments in its soft power, America can build the framework it needs to tackle tough global challenges.

> The goal of U.S. foreign policy should be to prolong and preserve American preeminence as an agent for good.

Specifically, the United States should focus on five critical areas:

- Alliances, partnerships, and institutions: Rebuilding the foundation to deal with global challenges;
- Global development: Developing a unified approach, starting with public health;
- Public diplomacy: Improving access to international knowledge and learning;
- Economic integration: Increasing the benefits of trade for all people;
- Technology and innovation: Addressing climate change and energy insecurity.

Investing in the global good is not charity. It is smart foreign policy. America's allies look to it for ideas and solutions, not lectures.

The goal of U.S. foreign policy should be to prolong and preserve American preeminence as an agent for good. Achieving this goal is impossible without strong and willing allies and partners who can help the United States to determine and act on priorities.

America should have higher ambitions than being popular, but foreign opinion matters to U.S. decisionmaking. A good reputation fosters goodwill and brings acceptance for unpopular ventures. Helping other nations and individuals achieve their aspirations is the best way to strengthen America's reputation abroad.

This approach will require a shift in how the U.S. government thinks about security. We will always have our enemies, and we cannot abandon our coercive tools. Resetting the military after six years of war is of critical importance. But

bolstering American soft power makes America stronger. The U.S. government must develop the means to grow its soft power and harness the dynamism found within civil society and the private sector.

We must build on America's traditional sources of strength in a principled and realistic fashion. With new energy and direction, the United States could use its great power for even greater purposes and in the process preserve American values and interests far into the future.

HARD AND SOFT POWER

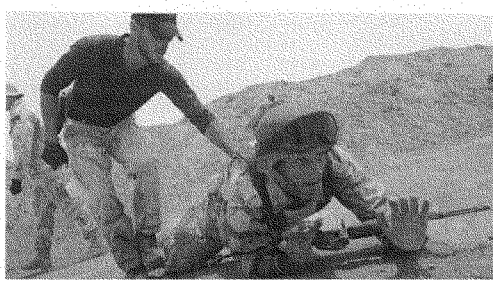
Power is the ability to influence the behavior of others to get a desired outcome. Historically, power has been measured by such criteria as population size and territory, natural resources, economic strength, military force, and social stability.

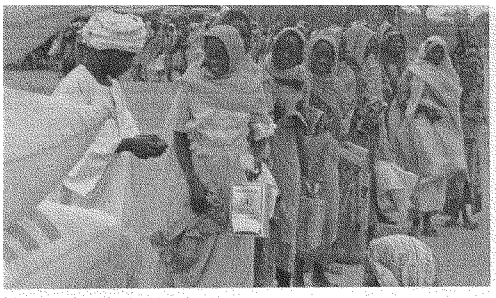
Hard power enables countries to wield carrots and sticks to get what they want. The Pentagon's budget for FY2008 is more than $750 billion and growing, many times more than the nearest competitor. The United States has the world's largest economy, and more than a third of the top 500 global companies are American. There is no other global power, and yet American hard power does not always translate into influence.

The effectiveness of any power resource depends first on context. Sources of strength change over time. Despite American technological advances that have made weapons more precise, they have also become more destructive, thereby increasing the political and social costs of using military force. Modern communications technology has diminished the fog of war, but also heightened and atomized political consciousness. Trends such as these have made power less tangible and coercion less effective. Machiavelli said it was safer to be feared than to be loved. Today, in the global information age, it is better to be both. Soft power is the ability to attract people to our side without coercion. Legitimacy is central to soft power. If a people or nation believes American objectives to be legitimate, we are more likely to persuade them to follow our lead without using threats and bribes. Legitimacy can also reduce opposition—and the costs—of using hard power when the situation demands. Appealing to others' values, interests and preferences can, in certain circumstances, replace the dependence on carrots and sticks. Cooperation is always a matter of degree, and it is profoundly influenced by attraction.

This is evident in the changing nature of conflict today, including in Iraq and against al Qaeda. In traditional conflict, once the enemy is vanquished militarily, he is likely to sue for peace. But many of the organizations against which we are fighting control no territory, hold few assets, and sprout new leaders for each one that is killed. Victory in the traditional sense is elusive.

Militaries are well suited to defeating states, but they are often poor instruments to fight ideas. Today, victory depends on attracting foreign populations to our side and helping them to build capable, democratic states. Soft power is essential to winning the peace. It is easier to attract people to democracy than to coerce them to be democratic.





Since America rose on the world stage in the late nineteenth and early twentieth centuries, it has wielded a distinctive blend of hard and soft power. Despite nineteenth-century military adventures in the Western hemisphere and in the Philippines, the U.S. military has not been put in the service of building a colonial empire in the manner of European militaries. Particularly since World War II, America has sought to promote rules and order in a world in which life continues to be nasty, brutish, and short for the majority of inhabitants.

American sources of soft power are plentiful. Soft power is more than mere cultural power, although the appeal of Hollywood and American products can play a role in inspiring the dreams and desires of others. Sources include the political values and ideas enshrined in the Constitution and Bill of Rights, U.S. economic and educational systems, personal contacts and exchanges, and our somewhat reluctant participation and leadership in institutions that help shape the global agenda. One of the biggest sources of U.S. soft power is quite simply America's obvious success as a nation.

Smart Power means developing an integrated strategy, resource base and tool kit to achieve American objectives, drawing on both hard and soft power.

Not everyone looks forward to a more interconnected and tolerant world. These ideas can be threatening to those who consider their way of life to be under siege by the West. Those who feel this divide most strongly are often the very people who seek to fight America and its allies.

Yet the United States attracts more than four times the number of foreign immigrants every year than any other country, and hundreds of thousands of foreign scholars and students as well. America's history as an immigrant nation is an important source of its soft power. There is an enormous strength and vitality in the American civic spirit of opportunity, tolerance, mutual respect, and shared commitment and in an economy that rewards innovation and hard work. For people everywhere, the United States can be a partner for a better life.

WHAT IS SMART POWER?

Smart power is neither hard nor soft—it is the skillful combination of both. Smart power means developing an integrated strategy, resource base, and tool kit to achieve American objectives, drawing on both hard and soft power. It is an approach that underscores the necessity of a strong military, but also invests heavily in alliances, partnerships, and institutions at all levels to expand American influence and establish the legitimacy of American action. Providing for the global good is central to this effort because it helps America reconcile its overwhelming power with the rest of the world's interests and values.

Elements of this approach exist today in U.S. foreign policy, they but lack a cohesive rationale and institutional grounding. Three main obstacles exist.

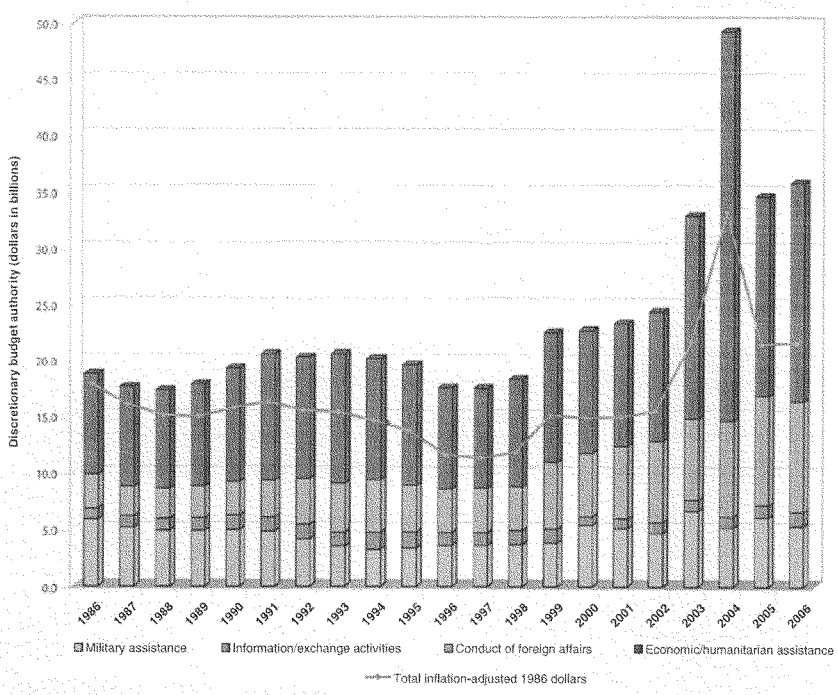
First, U.S. foreign policy has tended to over-rely on hard power because it is the most direct and visible source of American strength. The Pentagon is the best trained and best resourced arm

of the federal government. As a result, it tends to fill every void, even those that civilian instruments should fill. America must retain its military superiority, but in today's context, there are limits to what hard power can achieve on its own.

Second, U.S. foreign policy is still struggling to develop soft power instruments. Diplomatic tools and foreign assistance are often directed toward states, which increasingly compete for power with non-state actors within their borders. Diplomacy and foreign assistance are often underfunded and underused. These tools are neglected in part because of the difficulty of demonstrating their short-term impact on critical challenges.

It should come as no surprise that some of the best-funded and most appreciated soft power

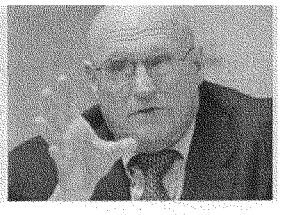
U.S. International Affairs Funding, 1986–2006*



*Budget function 150—international financial programs excluded.
Data source: U.S. Office of Management and Budget, public database.

"The United States should be a beacon for the rest of the world–not out of step and out of favor."

RICHARD L. ARMITAGE



tools have been humanitarian operations carried out by the U.S. military such as tsunami relief in Asia and the earthquake response in Pakistan, since these operations produced results that were clear, measurable, and unassailable. Wielding soft power is especially difficult, however, because many of America's soft power resources lie outside of government in the private sector and civil society, in its bilateral alliances, or through its participation in multilateral institutions.

Third, U.S. foreign policy institutions and personnel are fractured and compartmentalized. Military personnel do hard power tasks. Civilian personnel do soft power tasks. Coordination, where there is any, happens either at a relatively low level or else at the very highest levels of government—both typically in crisis settings that drive out long-range planning. Stovepiped institutional cultures inhibit joint action.

More thought should also be put into sequencing and integrating hard and soft power instruments, particularly in the same operating theater. Some elements of this approach are already occurring in the conduct of ongoing counterinsurgency, nation building, and counterterrorism operations—tasks that depend critically but only partially on hard power.

The United States has in its past wielded hard and soft power in concert, with each contributing a necessary component to a larger aim. We used hard power to deter the Soviet Union during the Cold War and soft power to rebuild Japan and Europe with the Marshall Plan and to establish institutions and norms that have become the core of the international system. Today's context presents a unique set of challenges, however, and requires a new way of thinking about American power.

TODAY'S CHALLENGES

The twenty-first century presents a number of unique foreign policy challenges for today's decisionmakers. These challenges exist at an international, transnational, and global level.

Despite America's status as the lone global power, the durability of the current international order is uncertain. America must help find a way for today's norms and institutions to accommodate rising powers that may hold a different set of principles and values. Furthermore, countries invested in the current order may waiver in their commitment to take action to minimize the threats posed by violent non-state actors and regional powers who challenge this order.

The information age has heightened political consciousness, but also made political groupings less cohesive. Small, adaptable, transnational networks have access to tools of destruction

that are increasingly cheap, easy to conceal, and more readily available. Although the integration of the global economy has brought tremendous benefits, vectors of prosperity have also become vectors of instability. Threats such as pandemic disease and the collapse of financial markets are more distributed and more likely to arise without warning.

The threat of widespread physical harm to the planet posed by nuclear catastrophe has existed for half a century, though the realization of the threat will become more likely as the number of nuclear weapons states increases. The potential security challenges posed by climate change raise the possibility of an entirely new set of threats for the United States to consider.

The next administration will need a strategy that speaks to each of these challenges. Whatever specific approach it decides to take, two principles will be certain:

First, an extra dollar spent on hard power will not necessarily bring an extra dollar's worth of security. It is difficult to know how to invest wisely when there is not a budget based on a strategy that specifies trade-offs among instruments. Moreover, hard power capabilities are a necessary but insufficient guarantee of security in today's context.

Second, success and failure will turn on the ability to win new allies and strengthen old ones both in government and civil society. The key is not how many enemies the United States kills, but how many allies it grows.

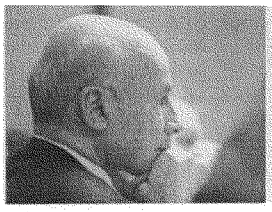
States and non-state actors who improve their ability to draw in allies will gain competitive advantages in today's environment. Those who alienate potential friends will stand at greater risk. Terrorists, for instance, depend on their ability to attract support from the crowd at least as much as their ability to destroy the enemy's will to fight.

EXPORTING OPTIMISM, NOT FEAR

Since its founding, the United States has been willing to fight for universal ideals of liberty, equality, and justice. This higher purpose, sustained by military and economic might, attracted people and governments to our side through two world wars and five decades of the Cold War. Allies accepted that American interests may not always align entirely with their own, but U.S. leadership was still critical to realizing a more peaceful and prosperous world.

There have been times, however, when America's sense of purpose has fallen out of step with the world. Since 9/11, the United States has been exporting fear and anger rather than more traditional values of hope and optimism. Suspicions of American power have run deep. Even traditional allies have questioned whether America is hiding behind the righteousness of its ideals to pursue some other motive.

At the core of the problem is that America has made the war on terror the central component of its global engagement. This is not a partisan critique, nor a Pollyannaish appraisal of the threats facing America today. The threat from terrorists with global reach and ambition is real. It is likely to be with us for decades. Thwarting their hateful intentions is of fundamental importance and must be met with the sharp tip of America's sword. On this there can be no serious debate. But excessive use of force can actually abet terrorist recruitment among local populations. We must strike a balance between the use of force against irreconcilable extremists committed to



"Today's challenges require new types of institutions to extend American influence. We need a multilateral pluralism for the twenty-first century."

JOSEPH S. NYE

violent struggle and other means of countering terrorism if we want to maintain our legitimacy. What is also apparent six years after September 11 is that a broader and more durable consensus is required to wage this struggle at home and abroad. The 2008 election cycle will inevitably bring forth partisan jockeying concerning which candidate and party will keep Americans most safe. This is a healthy and important debate, but one that should not preclude a bipartisan commitment to recognize and meet the global threat posed by terrorists and violent extremism. Such a commitment ought to be built upon the following four principles:

First, American leaders should stay on the offensive in countering terrorist aims abroad, but must also refuse to over-respond to their provocations. More attention ought to go toward preventing terrorists' access to weapons of mass destruction, but short of such a nightmare scenario, terrorists pose no existential threat to the United States. Their only hope—and indeed, their intended plan—is to use a sort of "jujitsu effect" in which they entice a large, powerful nation such as the United States to overreact and make choices that hurt ourselves. America must resist falling into traps that have grave strategic consequences beyond the costs of any isolated, small-scale attack, regardless of the individual and collective pain they may cause.

Second, American leaders ought to eliminate the symbols that have come to represent the image of an intolerant, abusive, unjust America. The unfairness of such a characterization does not minimize its persuasive power abroad. Closing the Guantanamo Bay detention center is an obvious starting point and should lead to a broader disassociation from torture and prisoner abuse. Guantanamo's very existence undermines America's ability to carry forth a message of principled optimism and hope. Although closing Guantanamo will be no simple matter, no legal or practical constraint is insurmountable if it became a priority of American leadership, and planning for its closure should begin well before the next president takes office.

Third, we should use our diplomatic power for positive ends. Equally important to closing Guantanamo is expending political capital to end the corrosive effect of the Israeli-Palestinian conflict. The United States must resume its traditional role as an effective broker for peace in the Middle East, recognizing that all parties involved in the Israeli-Palestinian conflict have a responsibility to bring about a peaceful solution. Although we cannot want peace more than the parties themselves, we cannot be indifferent to the widespread suffering that this conflict perpetuates, nor the passionate feelings that it arouses on all sides. Many have rightly made this recommendation before, and many will do so in

the future until a just peace can be realized. In the Middle East and elsewhere, effective American mediation confers global legitimacy and is a vital source of its smart power.

Fourth, American leaders must provide the world with a positive vision greater than the war on terror. Americans need a shared aim to strive for, not simply a tactic to fight against. Efforts to pose counterterrorism operations as a global struggle between the forces of tyranny and the forces of freedom have not succeeded in drawing the world to our side. Freedom has always been part of the American narrative and should continue to be so, but too many in the Muslim world continue to read the war on terror as a war on Islam. Rather than unintentionally provoke a clash of civilizations, America's purpose should be to promote the elevation of civilizations and individuals.

In short, success in battling terrorism and restoring America's greatness depends on finding a new central premise for U.S. foreign policy to replace the War on Terror.

In short, success in battling terrorism and restoring America's greatness depends on finding a new central premise for U.S. foreign policy to replace the war on terror. Taking its place should be an American commitment to providing for the global good. Such an approach derives from our principles, supports our interests, and strengthens our security.

MAINTAINING ALLIES, WINNING NEW PARTNERS

America is likely to remain the preponderant power in world politics after Iraq, but it will have to reengage other countries to share leadership. America's position as the lone global power is unlikely to last forever, and the United States must find ways of transforming its power into a moral consensus that ensures the willing acceptance if not active promotion of our values over time. This will require combining hard and soft power into a smart power strategy of working for the global good. America must learn to do things that others want and cannot do themselves, and to do so in a cooperative fashion.

Despite the exploitation and inequities inherent to colonialism, the United States can learn a lesson from elements of Great Britain's strategy in the nineteenth century, when it was the world's foremost power. Great Britain took the lead in maintaining the balance of power in Europe, promoting an international economic system and maintaining freedom of the seas. It benefited doubly from this—from the goods themselves and from the way they legitimized British power in the eyes of others. Policies based on broadly inclusive and far-sighted definitions of national interest are easier to make attractive to people overseas than policies that take a narrower perspective.

America has played a role in maintaining international order and providing for the global good since World War II. We took the lead in creating institutions such as the United Nations, World Bank, International Monetary Fund, and the General Agreement on Tariffs and Trade that provided a framework of rules for maintaining international security and growing the world economy. This framework has been extended into new realms such as maritime security, financial markets, space exploration, cyberspace, drug trafficking, human trafficking, and terrorism.

The United States has provided a disproportionate share of the resources to address these challenges, but has also been the largest beneficiary. In the absence of U.S. leadership, regional powers would be unlikely to achieve the same degree of cooperation because of the difficulties of organizing collective action. Although it may be true that regional powers enjoy the benefits of this system without expending the same resources, American engagement is critical to any meaningful manifestation of global collective will.

Since the collapse of the Soviet Union, there has been a growing sense in some quarters of the United States, however, that providing for the global good has become less necessary or even peripheral to the real problems of the day. Particularly after 9/11, international norms and institutions appeared to some to constrain American behavior in ways that made Americans less safe. This belief has led to the growing reliance on U.S. hard power.

When the United States chooses to go it alone, however, it raises doubts about the legitimacy of American actions and creates widespread anxieties about how we will use our overwhelming power abroad. Multilateral consultation remains a more effective means of generating soft power and legitimacy than unilateral assertions of values. A general presumption in favor of multilateralism need not be a straightjacket, though. Working with others must always benefit the United States as well.

On the flip side, multilateralism cannot be merely a public relations strategy designed to provide political cover for unilateral action. No country likes to feel manipulated, even by soft power. America's international reputation is more of a byproduct than an outcome that can be brought about through concerted effort. Striving for admiration on the world stage for its own sake is ignoble and bound to fail. The United States must genuinely institutionalize the value of winning allies to its side in order to achieve its objectives abroad.

STARTING AT HOME

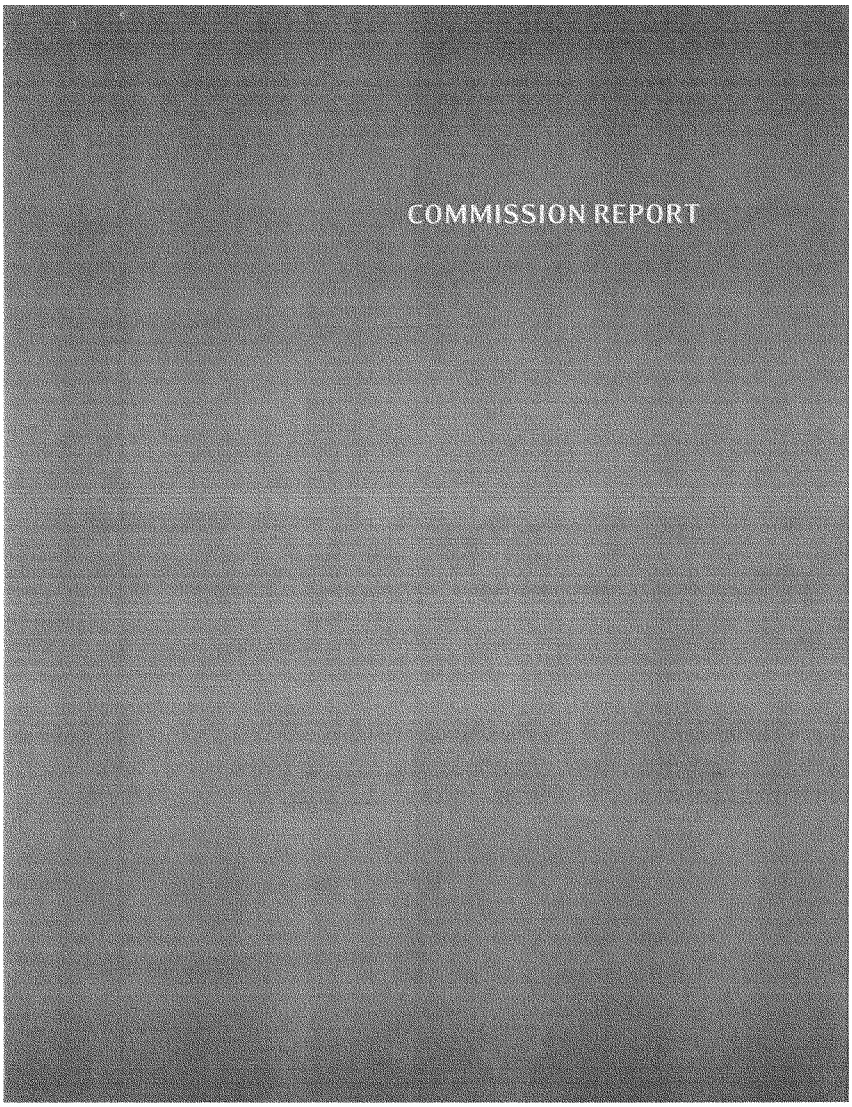
As part of this commission's work, we sent a commissioner and staff around the United States to engage in a listening tour with the American people. We called this effort our "Dialogue with America." What we heard diverged from the conventional wisdom in Washington of a tired and inward-looking electorate. Instead we heard a universal desire on the part of Americans to improve their country's image in the world and tap into its vast potential for good. Americans from across the political spectrum believed, however, that we first needed to "get America right" before we can be credible to the world.

The United States cannot ask the world to admire us if we do not behave admirably. We cannot ask the world to follow our lead if we prove ourselves ineffective. One of the terrible lasting impressions of Hurricane Katrina is that the U.S. government is both unfair and inept in the face of real challenges that impact people's lives. We have sent the same message internationally with our immigration policy.

Becoming a smarter power requires more than changes in policy, though; it requires a greater investment in human capital at home. America's education system is one of our greatest soft power assets, and yet there are signs of lagging American competitiveness in vital areas of science and technology. We need to ensure that we are producing workers and citizens who can understand and compete in an increasingly globalized world.

America is a great nation. There is no reason why the United States cannot regain its standing and influence in the world at the same time as it builds up its hard power for the twenty-first century. The five recommendations found within this report are meant to signal the types of initiatives the next administration could take to reinvigorate America's soft power. The report begins with a diagnosis of America's waning influence and concludes by looking at some of the institutional and budgetary implications of a smart power strategy.

A smarter, more secure America is one that can rediscover its greatness as a source of inspiring ideas and practical solutions for people in all corners of the world.


COMMISSION REPORT

People and governments abroad are at some level dissatisfied with American leadership. Allies and adversaries alike openly criticize U.S. policy. One opinion poll after another has demonstrated that America's reputation, standing, and influence are at all-time lows, and possibly sinking further. Take just five recent examples:

- A WorldPublicOpinion Poll in June 2007 found that majorities in 10 of 15 countries polled did not trust the United States to act responsibility.

- A BBC World Service poll of more than 26,000 people across 25 different countries in January 2007 revealed that one in two says the United States is playing a mainly negative role in the world.

- A poll commissioned by newspapers in Canada, Britain and Mexico surveyed 3,000 people in late 2006 and found that a majority in all three countries view President Bush as a threat to world peace comparable to Iran's Mahmoud Ahmadinejad, North Korea's Kim Jong Il and Hezbollah's Hassan Nasrallah.

- A Zogby poll of five Middle East countries (Saudi Arabia, Egypt, Morocco, Jordan and Lebanon) from late 2006 found that a majority in all five reported that their opinion of the United States had gotten worse in the past year.

- The Pew Global Attitudes Project revealed in 2006 that there has been a substantial decline in the opinion of foreigners toward the American people since 2002, particularly in Europe.

This onslaught of negative reporting on how the world views America prompts three immediate questions:

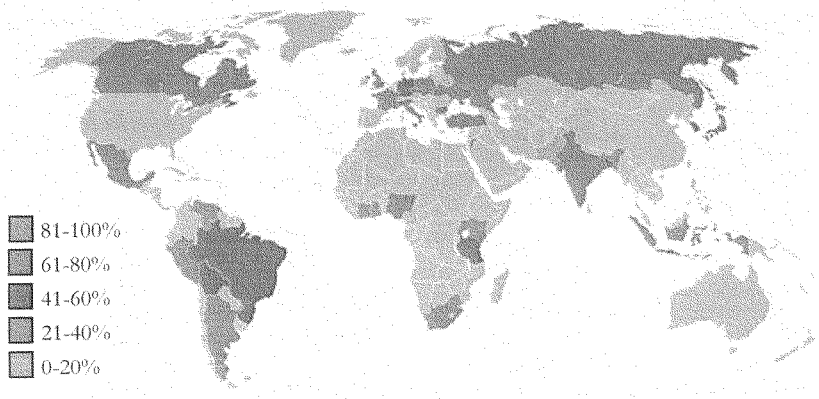
1. Is it that bad? Are negative views of America as prevalent and intense in all regions of the world?

2. Does it matter? Do negative views reflect a diminished American ability to achieve its national interests and uphold its values?

3. Can it be fixed? If American influence has waned, what are the main causes of its decline, and what are the main opportunities to reverse course?

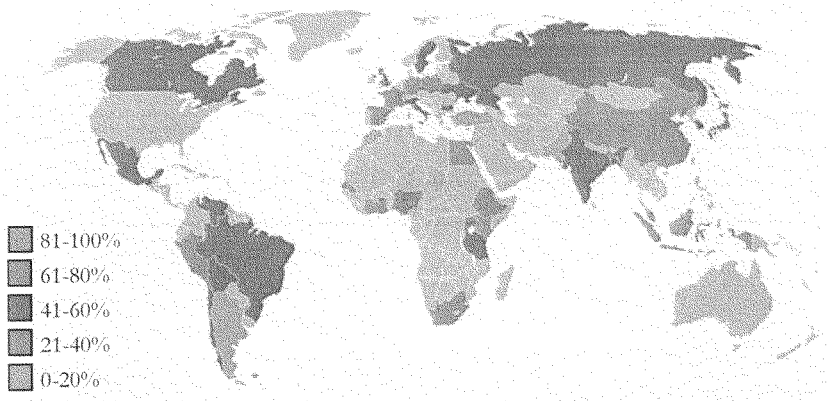
America's reputation, standing, and influence in the world matter for the security and prosperity of the United States. There is little question that America's diminished standing abroad has

Favorable Opinion of United States 2002



Data source: Pew Research Center, The Pew Global Attitudes Survey, "What the World Thinks in 2002," December 2002.

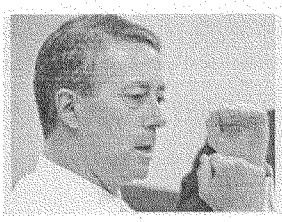
Favorable Opinion of United States 2007



Data source: Pew Research Center, The Pew Global Attitudes Survey, "Global Unease with Major World Powers: 47-Nation Pew Global Attitudes Survey," June 2007.

meant that the United States has had increased difficulty in accomplishing its goals. For foreign leaders, standing alongside U.S. policy has often appeared to be the "kiss of death." The Turkish parliament's decision to refuse to allow American troops to use its territory as a staging ground for the invasion of Iraq in 2003 had grave consequences for U.S. policy.

America may be less well regarded today than at any time in its history, but it is not too late to reverse these trends, even in the Arab and Muslim world. Doing so, however, will require a strategy that strikes a new balance between the use of hard and soft power and that integrates these elements into a smarter approach to the main challenges facing the United States and the global community.



"Intelligence – meaning a deep understanding – is more important and in many ways more difficult to achieve than ever before."

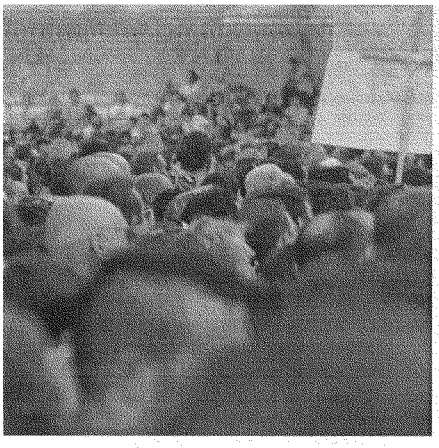
MAC THORNBERRY

CAUSES OF DECLINE

How did the United States lose the stature and good will it had accumulated during the Cold War and in its immediate aftermath? Surely the war in Iraq—hugely unpopular during the run-up to war five years back and even more so today—is a major factor. But this is too convenient and superficial an explanation. America's deteriorating esteem started well before the war in Iraq and will not be resolved simply by ending that conflict. There are at least five significant causes of America's declining influence:

■ America's sole superpower status. Paradoxically, the fall of the Soviet Union hastened America's declining stature. When the Cold War ended, America stood alone as the towering superpower on the world stage, while Cold War allies, increasingly less dependent on U.S. assistance or security guarantees, started to resent America's unbounded dominance. This came at a time when America's economy was booming and America seemed unstoppable. World leaders decried American "hyperpower" and spoke openly of creating a multipolar world to counterbalance the United States. The subsequent collapse of Enron and the burst of the "dot-com" financial bubble led to a widely held sentiment that America's power base was flawed and even illegitimate.

■ Reaction against globalization. Revolutionary technological advances in communications (such as global, instantaneous telephone and Internet service), transportation (such as the containerization of cargo shipments and the growth of air transportation), and financial services transformed the world economy during the past two decades. Suddenly the rules changed, opening great opportunities in virtually every country. But globalization also introduced forces into societies that threatened existing norms and set off difficult and painful domestic adjustments. Many abroad view the United States as the main promoter of globalization and blame America for



jobs lost and what they perceive as an assault on their traditions and culture.

■ America's isolation from agreements and institutions with widespread international support. The United States has rejected a number of recent international initiatives that were popular abroad but lacked concerted support inside the United States. These included the Kyoto Protocol on climate change, the International Criminal Court, the Mine Ban Treaty and the Convention on the Rights of the Child. Because the United States did not always deliver on the promise to offer superior alternatives to these initiatives, many abroad began to view America as rejectionist, opposing progress on matters that enjoyed broad international appeal. Similarly, as the credibility and authority of the United Nations have grown in many nations around the world, a significant part of the United States—rightly or wrongly—continues to view the United Nations as an institution in decline. Many nations have begun to look to the United Nations as a venue to constrain America's unbounded power since the Cold War, adding to America's estrangement.

■ America's response to 9/11. Americans were shocked that terrorists, hiding among us for months, plotted the surprise attack on 9/11. Once a proud and confident nation, suddenly America became angry and frightened. We restricted access to visas and surrounded our embassies with concrete barriers and barbed wire. We demanded foreign countries accept American customs inspectors at their shipping ports, implying that they could not be trusted to keep bombs from exploding in American cities. We embraced a simplistic "you are either with us or against us" approach and applied it to complex situations that demanded a more sophisticated policy response. And we adopted a new set of procedures in the "global war on terrorism"—secret prisons in foreign countries, secret "rendition" of suspects, detention of "unlawful enemy combatants" without judicial review, warrantless and unsupervised electronic surveillance procedures, and "enhanced interrogation procedures" that the world believes constitutes torture. In short, we adopted methods that we had previously decried when used by other governments, fueling a widespread belief that we hold a double standard.

■ Perceptions of American incompetence. Throughout the Cold War, America projected an image of vast technical competence. We sent human beings to the moon. We coordinated the eradication of small pox. We conducted winning wars in Iraq in 1991 and Kosovo in 1999 that demonstrated a towering technical proficiency. We projected an image to the world that we could master almost any technical problem. But recently we have projected a different image. Our weak response to the catastrophe caused by Hurricane Katrina and our inability to restore civil order and basic services such as electricity, water, and sanitation to Iraq created the impression that America may have lost some of its technical edge.

Taken together, these factors have produced a startling erosion of standing in the world. To be sure, as our CSIS scholars identified in the regional surveys that follow, America still enjoys

a strong reputation in many parts of the world. People may not like America's current policies or leaders, but there is still a strong attraction to the idea of America. The United States is still seen as a land of opportunity and as the nation that must lead if there are to be solutions to global problems.

REGIONAL ASSESSMENTS

CSIS regional scholars assessed how various countries and regions view the United States and the corresponding effect on U.S. influence. The result is a more complex picture than suggested by poll numbers or by the notion that electing a new president and withdrawing troops from Iraq will automatically restore America's standing in the world.

Europe

The transatlantic relationship has long been one of the strongest partnerships in the international system. The United States cannot address global challenges without Europe's active involvement, but many Europeans today have a diminished sense of the alliance.

The roots of this separation lie in divergent threat assessments from the 1990s and differing lessons from the Kosovo intervention. The relationship was further strained in the early days of the Bush administration with the decision to withdraw from the Anti-Ballistic Missile treaty, rejection of the Kyoto Protocol, and failure to join the International Criminal Court.

The run-up to and waging of the war in Iraq, including the Abu Ghraib abuses, have made this divide most apparent, as has U.S. conduct in the war on terrorism (Guantanamo Bay and extraordinary rendition, for example). Europe perceives that America lacks a commitment to the types of legal, institutional, and multilateral frameworks that Europe has built in the European Union.

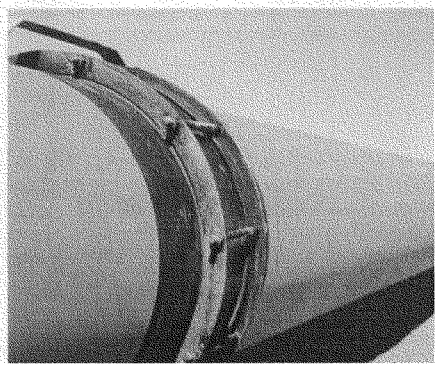
Within Europe, countries have traditionally looked inward at European integration, punctuated by a more secure and assertive Germany and France and a younger generation of Europeans with less knowledge of and interest in the United States. Above all, Europeans do not want to be simply informed about American decisions; they want to be consulted and treated as partners.

Nonetheless, cooperation continues below the surface on a host of key issues, and more positive views of the United States can be found in Central and Eastern Europe—partly on account of the historic wariness those countries feel toward a strengthening Russia and Germany.

Russia

U.S.-Russian relations are chillier than they have been at any time since the end of the Cold War. Awash in petrodollars, Russia's effort to reassert its interests has led to increased friction with Europe and the United States.

Most Russians today read American initiatives and aid as part of a hidden agenda to undermine Russia's recovery. Historically negative feelings about the United States resurfaced in the late 1990s with the collapse of the ruble and the use of force in Kosovo.



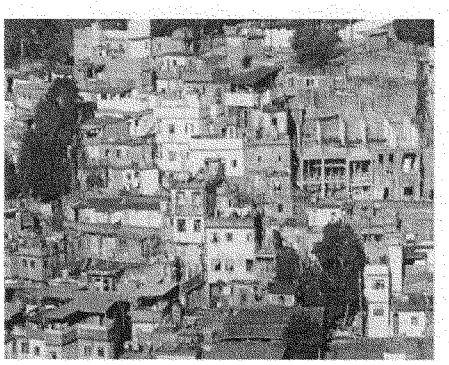
Putin's Munich speech earlier this year was indicative of broader feelings within Russia that efforts to expand NATO, develop a Ballistic Missile Defense program, and spread democracy via the "colored revolutions" are part of a broader U.S. containment policy aimed against Russia. Even the failure of the United States to repeal the 1974 Jackson-Vanick amendment is interpreted as an effort to hold back the Russian economy.

Putin has capitalized on these feelings to spur nationalist sentiment and expand his authoritarian rule, isolating traditional allies of America who in turn feel abandoned by the United States.

Americas

Although Canada and Mexico are the first and third largest trading partners of the United States and our most important sources of imported oil, the feeling persists—particularly in Central and South America—that the United States has neglected its own backyard.

With the end of the Cold War, the United States scaled back much of its engagement and programming, including its public diplomacy efforts. The wave of optimism that existed in the early 1990s as regional governments transitioned from military dictatorships to democratic civilian regimes was stifled by serious financial crises and the failure of most governments to take the next generation of political and economic reforms.



More recently, a strong and growing sentiment—promoted by a new generation of populist leaders—has also emerged in the region that U.S.-led globalization has left large pockets of Latin American societies behind. These trends, together with fears of U.S. unilateralism and disregard for international law and institutions, are tapping into old threads of anti-Americanism.

U.S. policy toward Cuba is also a major sticking point in the region. And yet, while the war in Iraq is widely unpopular, many remain open to U.S. leadership.

Africa

Unlike most regions of the world, Africans by and large view the United States as a positive force in the world.

America's renewed commitment to Africa relates to the continent's rising strategic stakes as an important source of energy supplies, a possible safe haven for terrorist groups, a transit node of illegal trafficking in drugs, arms, and people, and a growing voice in multilateral institutions. U.S. domestic constituencies have made HIV/AIDS and Darfur two signature moral issues of our time.

The current U.S. administration has launched an array of soft power initiatives in Africa that reflect a real commitment to alter the status quo, including the $15 billion President's Emergency Program for AIDS relief (PEPFAR), much of which is dedicated to Africa; the Millennium Challenge Account that provides development aid to well-governed, free-market countries; a major initiative on malaria; and an overall tripling of U.S. development assistance levels.

U.S. military efforts to build partnerships with and the capabilities of African armed forces

have also increased, including through the African Contingency Operations Training Assistance (ACOTA) program and the newly established Africa Command. The intervention of U.S. troops in Liberia in 2003 to ensure the departure of Charles Taylor—although limited in scope—was a major shift away from the apprehension generated by the failed Somalia mission in 1993.

Nonetheless, resentment remains on the continent over the perceived hypocrisy of the global trade regime, and competition has heightened with Chinese investment and assistance that is free of political conditionality.

Middle East

There is no region of world in which U.S. standing has fallen further or more precipitously than in the Middle East.

A decade ago, the United States was generally seen as a guarantor of security, an effective mediator, and an intellectual colossus. The collapse of the Arab-Israeli peace process, the Iraq War, the perceived conflict with Islam, a resurgent Iran, exploding wealth in Gulf nations, and more politically aware populations mean that the United States is now at a distinct disadvantage in the region.

America is still relevant, but it has been weakened. Neither a new message nor a single regional conference to address Iraq, the Arab-Israeli conflict, or Iran will be enough to turn this tide.

One of the striking developments of the last several years has been the way in which the number of countries in the Middle East that are outright foes of the United States has been reduced to two—Iran and Syria. And yet, traditional American partners have moved swiftly to establish greater distance from the United States.

Perhaps the most profound problem the United States faces in the Middle East is the deep and growing hostility toward America among what should be the moderate middle of these societies. It is among this group that the hopes and aspirations of hundreds of millions of people are turning away from a close relationship with the United States.

South Asia

South Asia is dominated by the fate of two countries on different trajectories and with different views of the United States.

Today, India generally has an optimistic view of its own future. There is a strong sense that an expanding relationship with the United States is helping to launch India onto the world stage, despite the Indian government's apparent inability to bring the Indo-U.S. nuclear deal to completion for the time being and despite misgivings about the implications of U.S. policy in Iraq.

One of the strongest assets of the U.S. relationship with India is the expanding connection between Indian and American people. The United States, having been for some decades a symbol of India's subordinate status in the world, is now to a significant extent seen as a vehicle for its emergence as a global power.

In contrast, Pakistanis see their relationship with the United States as a history of intense collaborations followed by American betrayals, the next of which may be lurking around the corner in a deteriorating Afghanistan. The potential for crises emerging either within Pakistan or between Pakistan and the United States are high given the intense domestic political challenges facing Islamabad and the antiterrorism effort ongoing on the Afghanistan border.

America's close ties with Pakistan's leaders are both a major asset and a major liability in a domestic political context. Despite significant and timely U.S. earthquake relief in 2005, U.S. policy is seen as anti-Muslim, in effect if not in intention, even as Pakistanis try to use their relationship with the United States to solve their internal problems.

Southeast Asia

The United States still enjoys an advantageous position in Southeast Asia due to its status as a guarantor of regional stability and source of economic assets.

Although Southeast Asian governments continue to rely on the U.S. security guarantee offered through bilateral alliances and U.S. military presence to maintain a regional balance of power, the failure of the United States to come to the region's aid in its time of need during the 1997–1998 Asian financial crisis left a lasting impression of uncertainty about the U.S. commitment when the region's interests are at stake.

The ensuing IMF austerity packages, the Iraq War, U.S. early focus on the region as a "second front" in a global war on terrorism, and perceived American disregard for "the ASEAN way" of dialogue, multilateral consultation, and modesty have only exacerbated the region's concern. The quick and effective U.S. response to the 2004 tsunami improved views of the United States only temporarily.

At the same time, the Association of Southeast Asian Nations (ASEAN) has become the centerpiece for nascent development of a distinct pan-Asian regional identity to deal with regional problems. U.S. absence from emerging institutions threatens to affect U.S. credibility and relevance in the region, at times to the benefit of China. Overall, however, Southeast Asia wants to avoid having to choose between Washington and Beijing.

Northeast Asia

Although polling data suggest that positive public opinion toward the United States in Northeast Asia has declined over the past few years, the downturn has not been as precipitous as in other regions in the world.

Perhaps no single bilateral relationship matters more for global security and prosperity than ties between the United States and China. Most Chinese maintain a generally positive view of American people, culture, and values, but there is also a longstanding perception that America seeks to interfere in internal Chinese affairs and contain Chinese influence abroad. Past incidents between the United States and China, such as the accidental bombing of the Chinese embassy in Belgrade, continue to irritate Chinese sentiment, underscoring the notion among Chinese that the United States seeks to undermine China's rise.

Although a majority of South Koreans still see the value of the alliance with the United States, they are frustrated with their enduring dependency on Washington for security and perceived U.S. insensitivity to their interests, particularly on North Korea. Seoul wants a more mature and equitable partnership with Washington in advancing mutual regional and global interests.

In contrast to South Korea where a majority of Koreans see U.S. influence as negative, nearly two-thirds of the Japanese people still hold a favorable opinion of America. The U.S.-Japanese alliance continues to be a critical and multifaceted cooperative relationship that has only strengthened over the past seven years.

CHINESE SOFT POWER

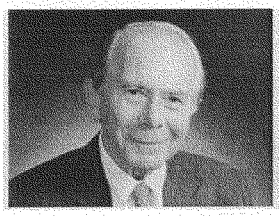
Will Beijing soon become a viable alternative to American leadership? This is a much-debated question within policy circles in the United States, and many American experts fear a zero-sum game with China as the victor.

With Washington preoccupied in the Middle East, China has deftly stepped into the vacuum left by the United States, primarily to pursue its own economic interests, but possibly also to pursue its long-term strategic goals of becoming a global power rather than simply a regional one. China has taken a two-pronged approach, strengthening its hard power resources while simultaneously expanding its soft power influence.

The most visible example of China's growing soft power is Beijing's embrace of, and at times leadership in, multilateral organizations where the U.S. role has diminished or is absent all together, particularly in China's own backyard. Underscoring its commitment to a "good neighbor" policy, China has resolved numerous territorial disputes in the region. Beijing has also signaled its respect for "the ASEAN Way," which is mostly dismissed by the United States, by becoming actively involved in Asian security and political arrangements, such as the ASEAN Regional Forum (ARF), the ASEAN + 3 process, the Shanghai Cooperation Organization (SCO), and the East Asia Summit. Beijing has placed strong emphasis on common economic development, including pursuit of a free trade agreement with ASEAN, and, further north, with the Republic of Korea.

From Latin America to Africa to the Middle East, Beijing is selling into new markets, devouring natural resources, making lucrative oil deals, forgiving debt, and generally offering aid and friendship free of political conditionality—thus building global goodwill and political influence despite signs of resentment in some quarters. For example, the "Beijing alternative" provides African nations with an option that places fewer conditions on aid and asks fewer questions about internal affairs than Washington. Many in Latin America are also increasingly moving toward a "Pacific view" that looks to China to fill the perceived gap left by U.S. disinterest.

Even in Western democracies, many countries view China as playing an increasingly constructive role in global affairs despite its close relations with rogue and authoritarian states such as Sudan, Burma, and Iran. Many cite Beijing's growing engagement in UN peacekeeping missions and its role in the Six Party Talks on North Korea as evidence of its efforts to becoming a truly responsible stakeholder within the global community. There may still be a healthy dose of skepticism about China and its future intentions and goals, but nonetheless, in general, China has risen in global public opinion in recent years.

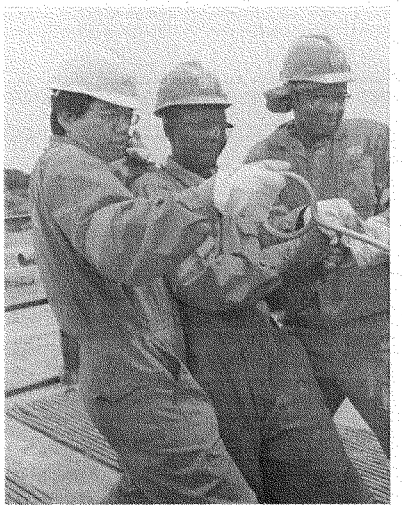


"America's continued success in today's globalized world is contingent on our ability to engage, not demonize, dynamic powers like China."

MAURICE R. GREENBERG

China's soft power is likely to continue to grow, but this does not necessarily mean that Washington and Beijing are on a collision course, fighting for global influence. First, a number of factors ultimately will limit China's soft power, including its own domestic political, socioeconomic, and environmental challenges. Second, there are a number of critical areas of mutual interest between the United States and China on which the two powers can work together—and in some cases already are. Energy security and environmental stewardship top that list, along with other transnational issues such as public health and nonproliferation, among others.

Finally, global leadership does not have to be a zero-sum game. China can only become preeminent if the United States continues to allow its own powers of attraction to atrophy.



PART II | A SMART POWER STRATEGY

This section provides recommendations to the next president of the United States on potential ingredients of a smart power strategy. It is not designed to be a comprehensive national security strategy, but a set of policies that could help the United States become smarter and more secure by reinvesting in the global good.

1 ALLIANCES, PARTNERSHIPS, AND INSTITUTIONS

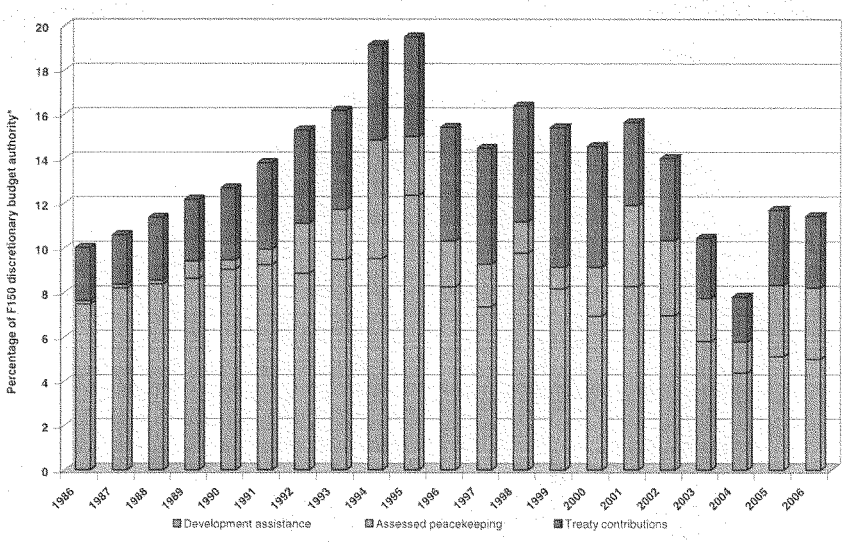
REBUILDING THE FOUNDATION TO DEAL WITH GLOBAL CHALLENGES

The United States generally has three options when responding to global challenges. First, it can proceed unilaterally. This approach provides freedom of action but risks international opposition and isolation. Unilateral action also misses out on the financial and operational benefits of allied support. American political leaders have debated the efficacy of unilateralism in recent years. Although no president will cede the option of unilateral action, the United States understands full well the perils of this approach and the benefits of allies and partners.

Second, the United States can assemble ad hoc coalitions, employing consensus-based internationalism. This approach still enjoys the benefits of burden sharing, but U.S.-led coalitions are free from the constraints imposed by alliance partners who may have divergent assessments or goals. Although consensus-based internationalism enables the United States to deal with the challenges at hand, it also requires considerable effort to build a cohort of likeminded states. The success of such efforts depends to large extent on preexisting alliance structures. Consensus-based internationalism does little to build a foundation to address future challenges. The next president should view consensus-based internationalism as a pragmatic, short-term option that has limited value beyond the coalition's immediate objectives.

Third, the United States can work through treaties, alliances, and multilateral organizations—so-called norms-based internationalism. Formal agreements and global norms provide the United States with the standing capacity to act in conjunction with allies at the times we need them most. This approach served the United States well in the Cold War and should be the bedrock of our internationalism going forward.

U.S. International Affairs Multilateral Funding, 1986–2006



*Total excludes international financial programs.

Data source: U.S. Office of Management and Budget, public database.

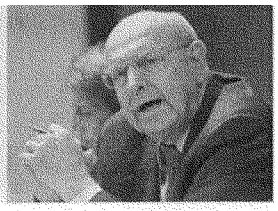
Throughout the Cold War, American leaders defined internationalism in terms of treaties and institutions. The United States invested heavily in the United Nations, World Bank, and International Monetary Fund, signed binding treaties with other countries to station U.S. forces abroad as the bedrock of our alliances, and helped to develop a growing body of international law with a particular focus on individual political rights. Alongside America's nuclear deterrent, this strategy contributed to U.S. success in containing Soviet expansion.

Although the United States never relied entirely on treaties and institutions during this period, American leaders tended to view them as extensions of U.S. influence. They were tools that helped the United States to engage and counter the Soviets on multiple levels and in multiple theaters, diminishing the risk of overreliance on any single facet of American power.

In recent years, however, an increasing number of Americans have turned away a norms-based approach to global engagement. They have come

"Multilateral capacity building goes beyond the instant coffee of coalition building."

THOMAS R. PICKERING



to view international law as suggestive rather than binding, alliances as outdated and dispensable, and international institutions as decrepit or hostile. Some U.S. leaders have preferred to rely on coalitions of the willing to achieve American objectives rather than on formal alliance structures or multilateral approaches that depend upon UN sanction.

Although norms-based internationalism requires institutions and agreements that are updated and capable of addressing today's challenges—particularly the rise of non-state actors—investing in such a system provides both short-term and long-term benefits beyond what unilateral action or consensus-based internationalism can bring.

In the short term, global norms and institutions allow the United States to address numerous hazards concurrently without having to build a consensus in response to every new challenge. Because of America's global interests and responsibilities, it often finds itself managing half a dozen crises simultaneously. Some of these challenges may be regional in nature and require regional institutions to address. Others may be transnational and require a multitude of state actors in concerted action over time—something only norms-based internationalism can yield.

In the long run, investing in institutions and global norms works to preserve U.S. ideas, values, and interests into the future. This is particularly important if the relative weight of non-Western powers was to increase in the years ahead and America was to become less able to assert itself internationally.

The next U.S. administration will come to power with its own ideas about which aspects of the current international architecture are worth preserving. What is needed today is a clear-headed analysis of which aspects of the international system work to extend American power in pursuit of the global good, which work to dilute it, and which simply do not work. The next president should strike a new consensus at home and abroad for finding normative solutions to pragmatic challenges.

Regardless of who sits in the White House, however, America must again play a role in shaping the global agenda and international system. Leading will require the confidence and patience to work effectively in multilateral settings where new players seek to rally countries against us.

Three approaches could help to extend American influence as a force for good—a renewed commitment to the United Nations, reinvigorating our alliances, and working to erase the perception that the United States has double standards when it comes to abiding by international law.

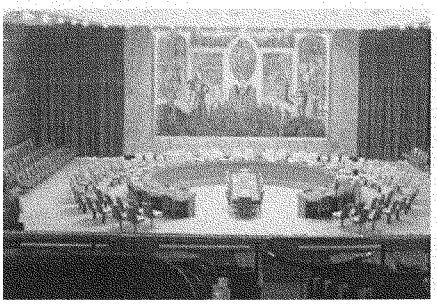
UNITED NATIONS

The United Nations means different things to different people—to some it is mankind's last best hope for a peaceful and prosperous world. For others, it is a venal, ineffective institution that subjects America's goals to the vile intentions of rights-abusing regimes. Both of these descriptions are of course caricatures, but herein lies the paradox of the United Nations—it is the main source of legitimacy in international affairs for much of the world, and yet a number of its internal transgressions (the 2004 Oil for Food scandal) and structural deficiencies (the lack of broader representation on the Security Council) call that very legitimacy into question.

"Investing in UN peacekeeping is cost-effective and makes sense for American interests."

GEORGE RUPP

Allied powers created the United Nations after World War II to avoid the horrible wars that devastated the early part of the twentieth century. Today it is uncertain whether the institution can still play a determining role in the main peace and security challenges of the twenty-first century. The credibility of the Security Council is at an all time low, and the U.S.-UN relationship has been strained nearly to the breaking point.



America needs the United Nations, but we need a better one than we have at present. The organization needs much stronger and accountable management, such as what was outlined in the 2005 Gingrich-Mitchell Task Force on UN Reform. The true strength of the United Nations still lies in the norms embedded in its charter—values that greatly benefit the United States if pursued objectively—as well as in its operational departments and agencies that can help the United States to implement a smart power strategy.

In particular, the United Nations could play an active role in furthering America's desire to promote the global good in four key areas: peacekeeping and peacebuilding; counterterrorism; global health; and energy and climate.

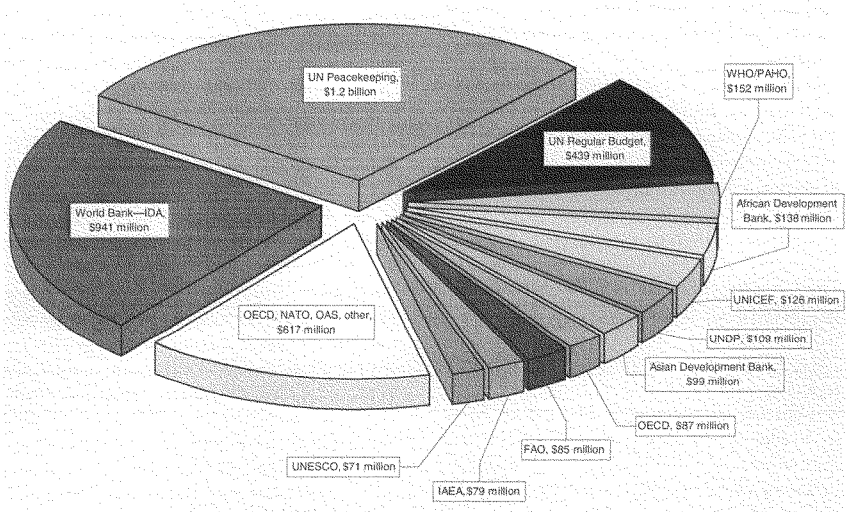
Peacekeeping and Peacebuilding. The best chance of sustaining the legitimacy and effectiveness for international peacekeeping and peacebuilding interventions over time derives from a solid U.S.-UN partnership. Right now the United Nations has more than 100,000 peacekeepers deployed around the world, making it the second-largest international security provider behind the United States. It is also playing a leading role in building the capacity of the African Union to address the disaster in Darfur. The next administration

should support the work of UN institutions that further U.S. goals in a cost-effective manner, such as the UN Department of Peacekeeping Operations (UNDPKO) and the new Peacebuilding Commission and Support Office.

Counterterrorism. The United Nations will never replace the role states play in meeting the threat of terrorism, but it can help to coordinate thinking and action on addressing the conditions conducive to the threat of terrorism and on breaking the chain of radicalization. Avoiding a "made in America" stamp in some instances may help the United States to pursue a more successful counterterrorism approach.

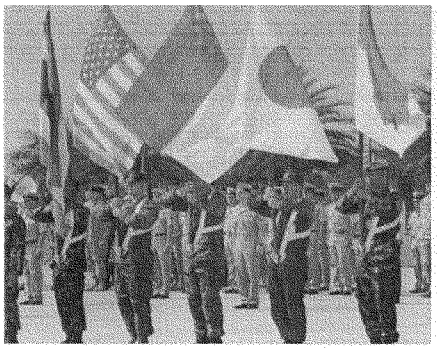
Global Health. The increase in funds devoted to global public health in recent years from both the public and private sectors does little to help build the coherence necessary for a successful international response. The United Nations can play a role here, mainly through the World Health Organization, in developing common systems and approaches.

U.S. Multilateral Funding, 2006



Data sources: U.S. Office of Management and Budget, public database; U.S. Department of State, Congressional Budget Justifications, FY 2008.

Note: IDA = International Development Association; OECD = Organization for Economic Cooperation and Development; OAS = Organization for American States; WHO/PAHO = World Health Organization/Pan American Health Organization; UNDP = United Nations Development Program; FAO = Food and Agriculture Organization; IAEA = International Atomic Energy Agency.



Energy and Climate. The challenges of energy insecurity and climate change are precisely the sort of global threats that the United Nations could help to address. In recent years, the United Nations has been a marginal player on policy coordination on energy and climate beyond helping to forge a scientific consensus on global warming and mobilize global will. December's UN Climate Change Conference in Bali may create new demands for coordination and expertise in helping to implement international agreements.

America's souring on the United Nations and failing to pay our dues have hurt us internationally. The next administration should weigh the most effective ways of leveraging the United Nations to become a better international partner.

ALLIANCES

The U.S. alliance system negotiated during the last half century consists of nearly 100 formal treaty arrangements and security commitments. Alliances extend American power by increasing legitimacy and burden sharing, by facilitating consultation and interoperability, and by helping to address unforeseen challenges without the start-up costs of coalition building. Alliances also preserve American power by diminishing the chances of bandwagoning or balancing against the United States.

Rather than view these agreements as hindrances to American action, the next president ought to view this alliance network as a force multiplier. We have preferred coalitions of the willing lately, but these are impossible to sustain without the investments made in our formal alliances in Europe and East Asia. The cooperation of America's allies will be vital to our ability to tackle twenty-first century problems.

A number of opportunities to bolster American alliances exist today. What is required on the most basic level is simply the willingness of the next president to signal an enduring commitment to our European and East Asian allies. For example, the North Atlantic Treaty Organization (NATO) stands at a crossroads, unsure of its broader strategic purpose following the Soviet collapse. Differing views exist in both the United States and Europe as to whether now is the proper time to rethink NATO's strategic rationale. Until such time as a consensus emerges, the United States should concentrate on ensuring that NATO's efforts in Afghanistan are successful by maintaining European support and enhancing the alliance's peacekeeping and state-building capabilities.

In Asia, the United States has traditionally sought to guarantee regional peace and security through a set of important bilateral alliances rather than through a formal multilateral structure. During the past decade, however, a set of Asian economic structures is starting to emerge that often excludes the United States. To counter this trend and ensure an enduring American role in the region, some have suggested that the United States should seek to formalize regional cooperation into a North East Asia Charter. The United States should not seek formalized cooperation for its own sake, however, particularly if it were to reward parties who do not deserve the benefits of American support. Instead, the next administration should seek to provide regional public goods that increase accountability on areas of common concern, such as on piracy, humanitarian crisis response, or missile early warning.

INTERNATIONAL LEGAL ORDER

For decades, America has been the global champion of international legal norms and standards. This approach not only sought to extend legal protections to others, but also aligned with our self-interest. We knew that our own citizens, military, and corporations needed safeguards abroad. In recent years, however, we have given the impression that America no longer feels bound by these rules that we helped to establish and promote. Many critics see the United States holding countries to a certain set of standards for international conduct that we do not live up to ourselves.

"The decision not to sign on to legal frameworks the rest of the world supports is central to the decline in American influence around the world."

SANDRA DAY O'CONNOR

This perception was heightened in the past two decades by the U.S. refusal to ratify a number of treaties that have been embraced by much of the world, including the Convention on the Rights of the Child (193 states party to the Convention), the Mine Ban Treaty (ratified by 122 states), the Kyoto Protocol on climate change (ratified by 172 states), and the Rome Statute establishing the International Criminal Court (ratified by 105 states). Although there may have been good reasons for why the United States did not believe these treaties to be in our national interest at the time, the overall message that the United States has sent is one of disregard for the international legal system.

U.S. counterterrorism efforts since 9/11 have furthered the perception that we have abandoned legal norms with respect to interrogation, detention, and rendition. This comes at the very time that we have taken the lead in defining the rule of law as the centerpiece of the world order meant to counter the intolerant vision of terrorists and violent extremists. The images of prisoner abuse from Abu Ghraib probably eroded America's moral authority as much as anything over the past six years because they seemed emblematic of this double standard.

What appears as a double standard abroad is more often the product of an ongoing debate within the United States over the place of international law within our domestic legal system. Most Americans would like to conform to international norms, but do not wish to have domestic laws that have been written and passed by elected representatives superseded by international institutions over which Americans feel they have little input or control. This is particularly true when Americans perceive their security to be at stake. And yet, the perceived double standard hurts our image and influence with critical allies abroad.

Two principles ought to guide American efforts going forward. The United States directly benefits from a strengthened international legal order. We want our patents to be respected. We want

due process when our citizens are held overseas. We want to live in a world where those who commit genocide and crimes against humanity are brought to justice and where the international community finds the will to take action before these horrific crimes occur. A strong international legal order is in America's interests. We ought to take the lead in pursuing those instruments and agreements where an American consensus exists. The Law of the Sea Treaty is one place to start because of the wide support it has garnered from both sides of the aisle.

There will be times, however, when treaties are objectionable because they represent narrow interests or do not provide for a level playing field, or when international legal instruments are ill-prepared to address the challenges of the day. At those times, the United States can justify stepping back, but cannot simply walk away. When serious objections to treaties and legal instruments exist, it is incumbent upon the United States to take the lead in building a new consensus for superior solutions whenever possible

SIGNATURE INITIATIVE: INVEST IN A NEW MULTILATERALISM

The United States needs well-functioning international institutions. The next president should put priority on reforming the United Nations more broadly, reworking the governance structures of the World Bank and International Monetary Fund, and jumpstarting World Trade Organization negotiations and strengthening its enforcement. But beyond these formal structures, we believe that the next president should put energy to creating a new set of pragmatic groupings to tackle global problems.

The main institutional architecture absent today is an effective forum for coordinating global strategic thinking on a set of specific practical challenges. This is necessary because the crisis-driven nature of the modern world means that governments pay too little attention to envisioning long-range threats, let alone coordinating such thinking with each other. In the absence of shared strategic objectives, crises are more likely to arise that will reverberate throughout the international system. Problems in one country rarely stay within national borders today, and increased integration and interdependence require greater coordination than ever before. In such a world, we need more venues for building common agendas—we need a multilateral pluralism that provides a range of multilateral options for generating new norms and practical solutions to solve global problems.

Problems in one country rarely stay within national borders today, and increased integration and interdependence require greater coordination than ever before.

Currently the Group of Eight (G-8) Summit brings together the governments of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States on a yearly basis to shape a common strategic agenda. Key countries are excluded, however, and to most Americans, the summit appears little more than a talk shop and photo-opportunity. The G-8 has made efforts since 2005 to reach out to China, Mexico, India, Brazil, and South Africa as "outreach countries" through a set of ministerial meetings on finance and energy termed the "G-8 + 5." This is a positive step, but it does not go far enough to bring together those governments

who can contribute substantively to working a whole range of critical challenges.

The next administration should seek to strengthen the G-8 summit process by proposing a set of high-level meetings on those issues routinely addressed by the G-8 that require sustained global attention: energy and climate; nonproliferation; global health; education; and the world economy.

■ Energy Security and Climate. The next administration should take the initiative on seeking a global consensus on how best to address greater resource competition and the potential perils of climate change in the years ahead. The primary objective could be to create a common charter outlining the principles of sound energy policies and practices that could serve as the foundation for global energy security and a healthier environment. The meeting could comprise the world's leading energy consumers and producers—a G-20 group that would account for nearly 80 percent of the world's energy production and consumption. Another option would be an E-8 group that could include four developed blocks (the United States, European Union, Japan, and Russia) and four less-developed (China, India, Brazil, and South Africa) who produce 70 percent of global emissions and yet comprise a small enough group to facilitate productive dialogue. The charter could address issues such as protection of sea lanes and critical infrastructure as well as an investment-friendly regulatory and legal framework that respects the development needs of resource holders.

■ Nonproliferation. The threat of nuclear weapons or material in the hands of terrorists remains the greatest threat facing our country today. We are also on the forefront of a new boom in the construction of commercial nuclear energy plants and the inherent risks this will present. The G-8 summit in Kananaskis in 2002 established a G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, and the 2006 G-8 summit in St. Petersburg launched a Global Initiative to Combat Nuclear Terrorism. Building on these efforts, the next administration should seek support for an annual high-level meeting on nonproliferation to develop new modes of stemming the transfer of nuclear weapons and materials that could end up in the hands of rogue states or terrorists. China should join us as a key stakeholder in this group.

■ Global Health. Pandemic disease is a transnational threat with the potential to kill more people worldwide than a nuclear attack. Mitigating this threat requires building the public health infrastructure and capacity of first responders around the globe. Doing so will also contribute to the general health of hundreds of millions throughout the developing world. The G-8 has recently focused considerable attention on public health, establishing the Global Health Fund in the Okinawa summit in 2000 and endorsing a global HIV medication manufacturing program at the Sea Island summit in 2004. A select group of governments could meet annually to build on these efforts and provide sustained attention and strategic global direction. Membership could be flexible, with aspirants welcome, particularly from Africa, provided they meet entry criteria demonstrating some minimal level of seriousness in engaging on public health.

■ Education. Countries with a higher percentage of youth are more likely to descend into armed conflict. Education is the best hope of turning young people away from violence and extremism. But hundreds of millions of children in the developing world are not in school or else at-

tend schools with inadequate teachers or facilities. Since 2001 the G-8 has supported the Education for All Initiative focusing on universal primary school education. An annual high-level meeting could help increase the saliency of U.S. bilateral and multilateral efforts to increase education levels worldwide. Membership could focus on major education donors and recipients. The meeting could also focus on encouraging and harmonizing educational exchanges worldwide.

■ World Economy. The world economy is in flux with the growing strength of rising powers in Asia and the convergence of national economic systems. Closer integration means that the ramifications of economic crises in a single sector or country often reverberate throughout the global economy. These changes present new challenges to economic governance committed to free and open markets. An annual G-3 meeting of the United States, Japan, and the European Union, with participation from other emerging economies, could meet annually to establish norms in corporate governance, regulation, and transparency and seek to identify areas of concern for future growth and stability.

Rather than focus solely on state-to-state interaction, the next administration should take the lead in creating a "Friends Group" for each of the first four meetings that could provide an avenue for key stakeholders in national legislatures, the private sector, and civil society to influence deliberations.

2 GLOBAL DEVELOPMENT

DEVELOPING A MORE UNIFIED APPROACH, STARTING WITH PUBLIC HEALTH

The U.S. commitment and approach to global development has been marked by inconsistency over the past half century. At those times when spending has been successfully justified in terms of American interests—most notably during the Marshall Plan to rebuild post-war Europe, the U.S. government has provided large amounts of aid to foreign lands. For the most part, though, U.S. development policy has lacked a coherent rationale that resonates across departments and agencies of the federal government. If the next administration wants to inspire people in other lands through our assistance, then it will need to develop a more unified approach and convince people that smart investments in development are in America's interest.

This lack of coherence is reflected by—and perhaps a product of—the absence of a strong and sustained political basis for global development at home, especially in the absence of an adversary such as the Soviet Union. A number of European nations, in contrast, have strong domestic constituencies for development. To be sure, these have arisen out of their colonial pasts and the realization that development policy allows countries that spend relatively little on military capability to still wield considerable influence, yet many Europeans are ahead of us in realizing that progress around the world is critical for their own stability and prosperity.

Reports of American stinginess have some merit, but can be misleading. Although the United States spends less as a share of its national income than its counterparts in the donor community, it is the largest donor in terms of total dollars spent. American private sector involvement in the developing world—including that of foundations, corporations, voluntary organizations, universities, religious organizations, and individuals through the remittances they send home—typically represents many more times U.S. official government aid on an annual basis. The point here is not that the United States already gives enough official aid and thus should not give more, but that there are many ways that America works for the benefit of the developing world other than through official giving.

Although the amount of foreign aid provided to poor countries sends an important signal of interest and concern, perhaps even more critical is ensuring that the quality of aid makes a real difference in the lives of people it aims to serve. Donor nations have spent hundreds of billions of dollars on development assistance in low- and middle-income countries in recent decades, yet leaders and publics in both recipient and donor countries are still uncertain—and in some cases wary—of the net impact of this effort. Part of the problem stems from the fact that the potential outcomes of foreign aid are long-term, diffuse, and hard to measure. There is no single

agreed-upon theory for how to successfully develop a country's economy or lift a population out of poverty.

Another obstacle to effective development assistance is that donor nations do not always share a coordinated approach, much less a common objective for their money. Many countries even have difficulty coordinating their myriad development programs under one strategic rubric. Aid is used for such divergent goals as spurring economic growth, targeting basic needs, reducing inequalities, strengthening democracy, preventing conflict, or rebuilding countries after war. Foreign assistance frequently has a security imperative that runs counter to development aims. Debt relief and trade liberalization are not always considered as part of an assistance package. Clear strategic direction that guides development policy across the various arms of government—let alone between donor nations—is rare, but remains a critical factor to delivering effective aid.

There have been examples, though, where donors have come together to do impressive things, such as through the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Since 2001, the Global Fund has committed $8.4 billion in 136 countries through an innovative approach to international health financing that brings together governments, civil society, the private sector, and affected communities. The next administration should do more through such multilateral mechanisms.

Poor and corrupt governance on the part of aid recipients also undermines the intended objectives of development aid. Critics of foreign assistance are quick to point to the proverbial money being "poured down a rat hole," whereby the U.S. taxpayer is duped into enriching a small clique of ruling elites at the expense of any long-term institutional development or direct benefit to those deserving abroad. Overcoming this concern remains a significant challenge to building a sustained political constituency for foreign aid in the United States.

"We need a new clarity to our development approach—a clarity of purpose and process, good people, and money on the table to create the trust necessary to work across government and between government and the private sector."

SYLVIA MATHEWS BURWELL

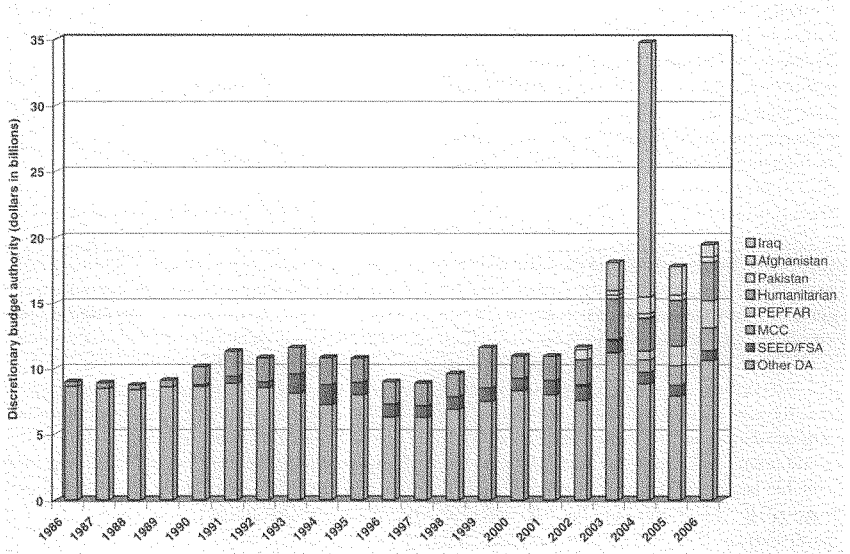
The Bush administration and others, however, have made a number of important innovations in global development in the past seven years, perhaps none greater than its effort to take on aid critics' concerns related to poor and corrupt governance. In January 2004, for instance, the administration created the Millennium Challenge Corporation (MCC), a government corporation that delivers foreign aid to poor countries that can demonstrate good governance and a commitment to economic freedom. This new approach, funded through congressional appropriations, has created incentives by which continued aid is tied to good performance.

Other programs include President Bush's five-year, $15 billion Emergency Plan for AIDS Relief, or PEPFAR, the largest commitment ever by a country for a health initiative dedicated to a single disease; and the President's Malaria Initiative (PMI), announced in 2005, which earmarks $1.2 billion over five years to cut malaria-related deaths in half in select African nations. The result of these various efforts is that President Bush has tripled overall assistance levels to Africa during his tenure, which in turn has contributed to a favorable opinion of the United States held throughout much of the continent.

The next president will have to consider which of the Bush administration's development initiatives to sustain, which to expand, and which to take in new directions. Included in this assessment must be an appraisal of the institutional reforms undertaken in recent years. In January 2006, Secretary of State Condoleezza Rice announced the creation of the new position of director of foreign assistance, who would serve concurrently as USAID administrator at the level of a deputy secretary of state.

The administration's intent was to tie foreign assistance more closely with its transformational

U.S. Development/Humanitarian Assistance Funding, 1986–2006



Data source: U.S. Office of Management and Budget, public database.

diplomacy agenda and America's national interest without sacrificing USAID's independence. Under these reforms, USAID remains an independent organization with an administrator reporting directly to the secretary of state. The director of foreign assistance, nominated by the president and confirmed by the Senate, has the authority over all Department of State and USAID foreign assistance funding and programs, but not those developed in other government agencies, including the Millennium Challenge Corporation, Office of the Global AIDS Coordinator, or the Pentagon. Although the eventual results of these reforms are still too early too tell, few believe they have gone far enough in delivering a unified approach to aid. In particular, the Pentagon's stake in foreign assistance has grown dramatically in the last decade driven by increased authorities in the war on terror.

Today's central question is not simply whether we are capturing or killing more terrorists than are being recruited and trained, but whether we are providing more opportunities than our enemies can destroy, and whether we are addressing more grievances than they can record.

The main thrust of U.S. global engagement since 9/11 has centered on eliminating the threat of terrorism, and this focus has influenced foreign assistance as well. Secretary Rice sent a clear signal of this when she announced the 2006 reforms, saying that "we must now use our foreign assistance to help prevent future Afghanistans—and to make America and the world safer." Since 9/11, the administration has targeted large amounts of foreign assistance to strategically vital countries in the war on terror, particularly to Iraq, Afghanistan, and Pakistan.

Many in the U.S. development community are deeply concerned that security objectives will overshadow development goals to an even greater extent in this new environment. Although countering the terrorist threat should neither be the overarching tenet of our foreign policy nor of our development assistance, it is difficult to dismiss the counter-terrorism rationale for development aid out of hand. As we bring hope to others that they can, by their efforts, improve the quality of their family's lives, they are likely to invest more in their future and be less prone to violence and extremism. In the short term, development also helps to counter the terrorist recruitment narrative that depends not only on a United States that is weak-willed, but on an America that is hard-hearted. Today's central question is not simply whether we are capturing or killing more terrorists than are being recruited and trained, but whether we are providing more opportunities than our enemies can destroy, and whether we are addressing more grievances than they can record.

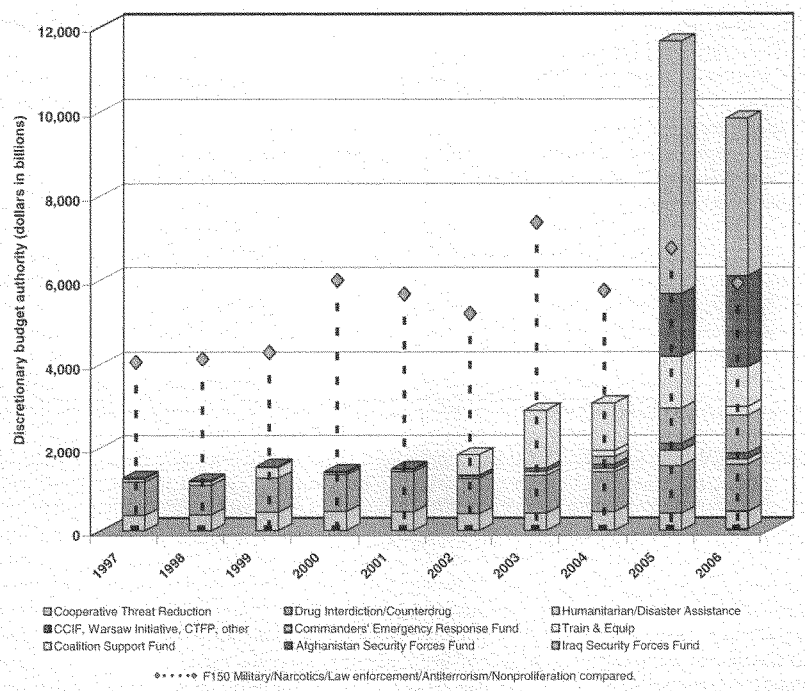
Although development aid will continue to be used to counter security threats, any increase in assistance levels ought to be spread more purposefully throughout the world, rather than merely in three strategic countries or one strategic region. What is paramount is the signal America sends globally—that we want the world to share in our prosperity, and we want our aid to address local aspirations. This depends on the United States placing a greater priority on listening.

The most sustainable rationale for global development over time is this: American leaders ought to commit to global development because it re-

inforces basic American values, contributes to peace, justice, and prosperity, and improves the way we are viewed around the world. Investing in development contributes to American security at home by promoting stability abroad.

In today's world, creating conditions where people around the world can achieve their own aspirations is of strategic importance. This is true in more parts of the world than merely countries that are home to terrorists or extremist ideologies. Investing in development makes it more likely that governments and citizens will take decisions to stand by America's side when we need allies most. It is not that people around the world will automatically form their opinions of the United

U.S. Department of Defense–funded International Assistance Activities, 1997–2006*



*Budget function 050—Defense/military only.
Data sources: U.S. Office of Management and Budget, public database; U.S. Department of Defense, Congressional Budget Justifications, FY 1999–2008; U.S. Department of Defense Appropriations Acts, Committee and Conference Reports, FY 2002–2006.
Note: CCIF = Combatant Commander Initiatives Fund; CTFP = Counterterrorism Fellowship Program.

States based on our aid rather than our policies, nor that the United States should spend development money in order to "get people to like us." And yet, how America spends its money overseas reflects our priorities, and people overseas realize this. Greater support to the UN Millennium Development Goals (MDGs)—launched in 2000 with the purpose of achieving concrete, measurable progress toward alleviating hunger and poverty and improving education and health by 2015 around the world—could help in this regard.

In the short run, the next president will need to address three vital development issues in the brief window of opportunity that exists at the beginning of any new administration: elevating the development mission within the U.S. government; developing a more unified approach to our aid; and developing locally supported and measurable delivery systems.

Elevating the development mission. In practice, this means that the next administration should continue the Bush administration's efforts to increase the size of the development and humanitarian assistance budget and increase the effectiveness of this assistance. The next administration should also create a cabinet-level voice for global development, a recommendation expanded upon in the final section of this report on implementation. There are internal and external reasons for such a move. Internally, a cabinet-level voice could bring greater coherence across the aid community and the entire U.S. foreign policy establishment and provide a sense of common purpose for development personnel in the U.S. government. Retention, recruitment, and training of experienced development staff are currently major challenges. Externally, a cabinet-level voice for global development would show a different American face to the world. Development as a theme concerned with the world's less fortunate and a process grounded in partnership helps to connect the United States to foreign populations.

A more unified approach. More than 50 independent organizations of the U.S. government are currently pursuing more than 50 foreign assistance objectives. The Bush administration was right to launch a foreign assistance reform process in 2006 to streamline budgeting and planning and increase transparency. What is needed, however, is not just a new framework for USAID, but one that could be put into operational practice across all departments and agencies of the U.S. government and could help prioritize strategic objectives and direct resources. The UK's Department for International Development (DFID), for instance, leads on trade policy in developing countries and meets weekly with the military's Joint Chiefs of Staff. In the United States, though, turf trumps transformation. Experts have suggested various institutional models to promote integration of planning, programming, and evaluation to update the coordinated, decentralized U.S. model. Alternatives include making USAID an implementing arm of the State Department (such as in Norway and Sweden), merging USAID into the State Department (such as in the Netherlands, Finland, and Denmark), creating a Department for Global Development (such as in the UK and Canada), appointing a development "czar," or else undertaking a major restructuring and crafting a Department of Foreign Affairs that would bring all assistance programs of the International Affairs Budget (150 account) into one department. The next administration will have to determine which institutional configuration is most fitting for a global power and most likely to get congressional support. Whatever the next president decides, he or she should take action to build greater coherence for America's development assistance.

Locally supported delivery systems. The next administration should also place a greater effort on making American aid more effective by working with local civil society and private sector actors to invest in more agile, innovative, and locally supported delivery systems. There is a reason that groups like Hamas and Hezbollah provide effective assistance. Although their goals run counter to U.S. interests, these groups are rooted in local communities, have relatively little overhead and corruption, and rely on a network-based rather than a bureaucratic approach. International NGOs have an important role to play in delivering aid, particularly when local partners on the ground lack the capacity to manage large projects, but rural development networks may prove to be better partners than U.S. contractors or even local nongovernmental organizations that sprout up overnight in the capital with few constituents and perfect English-language skills. This may require reassessing the regulations on partner organizations, as well as require increased oversight capacity within government aid and assistance agencies. The next administration should spend money on innovative methods of measuring outcomes through reliable metrics. Aid agencies should develop new metrics for success that incorporate attitudinal research in conjunction with local partners.

A renewed commitment to global development means strengthening relationships with international and domestic partners and trying to build a more unified approach at home and abroad. As a first priority, the next administration should start with the dynamic and growing field of global health, which affects every person in every nation.

SIGNATURE INITIATIVE: BUILD A GLOBAL HEALTH NETWORK

As discussed above, the next administration will need to quickly address a number of fundamental big picture questions about how our development assistance is organized. Until this occurs, it is difficult to comprehensively address any of the issue baskets that will eventually comprise a development approach, such as poverty alleviation, education assistance, or health. And yet, designing a new approach in any of these areas could demonstrate an institutional model for going forward.

"Global health is more than just a medical issue. It is fundamental to everything America wants for the world."

HELENE GAYLE

Health is vital to development. It is also vital for human and national security, for economic growth, and for building stable ties between countries. It is fundamental to every family's livelihood and existence. As mentioned earlier in this report, U.S. leadership on global health has expanded in recent years, drawing on both the public and private sectors, and has made significant progress in battling HIV/AIDS and malaria, particularly in Africa. Yet many countries lack

the systems and infrastructure to make effective use of the funds and to deliver broader health outcomes. Working with international partners, including the United Nations, the next administration should expand upon the Bush administration's legacy and look beyond a single-disease approach to work with countries and across regions to build integrated health systems that can significantly reduce gross health inequities borne today by the world's poor.

The United States should create new venues to align strategy and resources on global health, domestically and internationally. The next administration should seek to strengthen leadership networks, improve planning capacity, and foster greater coordination between government health ministries and civil society to bring greater coherence to global health efforts. New leadership from the top, however, will prove ineffective without increased capacity at the local level. The next administration should also make new investments in the training of local health care providers abroad.

New leadership, planning, and coordination are necessary within the U.S. government as well. It is essential that we marshal diverse experts in national security, public health, and economic development from the public and private sectors behind a long-term, unified vision for global public health and that government officials operate within a better coordinated institutional architecture.

The next administration should mandate coordination and leadership of global health efforts in a new subcabinet position, provided this fits with the overall institutional architecture to build greater policy coherence within the U.S. government. One of the problems with our development institutions generally, and with our health efforts specifically, is that they lack a national focus that makes sense for our international role and that could guide our efforts over the long term. A national focus could raise the importance of health and development more broadly within the federal bureaucracy, where knowledge on health and development is thin and where decisionmakers often view health as a niche issue rather than one that cuts across national security, trade, and diplomacy.

■ Create a U.S. Global Health Corporation (GHC). The main imperative of the next administration should be to build a more unified approach to development and health. Creating yet another new organization such as the GHC could undermine this goal, yet there is always a trade-off between building the required institutional capacity to address a vital issue (despite the risk of reducing coherence, flexibility, and local ownership) and working within existing structures that may not be up to the job. Furthermore, the Millennium Challenge Corporation model is unique in many ways and not the appropriate institutional answer for every development challenge. A GHC, however, could better respond to the looming strategic challenges ahead in global health, such as the health workforce deficit, that go beyond traditional mandates. Specifically, it could help strengthen institutional health capacity overseas by dramatically expanding the availability of skilled doctors and nurses in the developing world. Doctors and nurses are the foot soldiers in the war against sickness and disease. The estimated global health care worker shortage now stands at more than 4 million. The GHC could work with regional partners to create new training centers for health care professionals and seek to reach a workable compact with developing countries to reduce the commercial recruitment of newly trained talent away from their home countries. The GHC could also

take the lead toward a renewed focus on maternal and children's health. Millions of children around the world die every year from preventable death. Prenatal care, nutrition, vaccinations, clean water, and basic parental health education could save countless lives. Improving child and maternal health contributes to both poverty reduction and economic development. The GHC could function as an independent corporation with a board of governors chaired by the subcabinet official in the U.S. government charged with global health and include other senior officials from the Center for Disease Control, the National Institute of Health, Congress, foundations, NGOs, medical professionals, health researchers, and health care industry.

■ Strengthen the World Health Organization's leadership. The WHO, the UN's health arm, is the natural leader on public health, but lacks the budget, governance and, staffing to command attention in the event of a global pandemic. The ultimate aim should be to transform the WHO into a truly leading global agency able to set new norms and standards for global health, produce cutting-edge analysis to guide international action in the future, and spearhead the creation of new global surveillance and response capabilities for emerging pandemics. In this way, the United States could show its commitment to addressing development through multilateral institutions. The next administration should seek to convince not just the core G-8 members of the wisdom of this goal, but also to enlist China and India and others in the developing world in the effort. Reform and rejuvenation of the WHO should be tied to a few new strategic global initiatives that will bring broad and concrete benefits, such as the surveillance and control of pandemics, or dealing with shared problems of chronic diseases and long-term effects of obesity, tobacco, and alcohol abuse.

■ Bring safe drinking water and sanitation to every person in the world. The scarcity of safe drinking water is reaching crisis proportions. The WHO estimates that more than 1 billion people lack access to clean water. Water insecurity could potentially threaten security and stability in key regions in the years ahead. Providing clean water

and working sanitation could help prevent disease and prolong life. Providing potable water for all people across the globe is an achievable and relatively inexpensive endeavor—if we have the leadership to tackle it. One of the MDGs focuses on water, aiming to cut in half the percentage of people without access to safe water by 2015. This goal is supported by the Water for the Poor Act, which President Bush signed in 2005—the first time an MDG was written into U.S. law. The next administration should launch a new U.S. development initiative to spur the integration of innovations in both development policy and technology, in cooperation with multilateral and community-based partners and private organizations. The costs of purifying water are falling due to emerging technologies, and the U.S. government could launch a concerted effort to bring these to areas of priority need. The U.S. government should expand its funding for both large-scale and small-scale, community-based water and sanitation efforts in developing countries.

- End the stigma of AIDS at home and abroad. The United States is making historic investments in fighting HIV/AIDS around the world, including in Africa, but the stigma attached to the disease remains strong. More research and programming should be devoted to innovative ways of encouraging voluntary testing and treatment, despite existing inhibitions, as well as to prevention and the development of a vaccine. The next administration should make the same efforts at home. In particular, under current U.S. law and policy, HIV infection is grounds for denying admission of non-citizens—immigrants and non-immigrants alike—to the United States. Although waivers are available on a case-by-case basis, this law, which was put in place more than 20 years ago, is outdated and sends an inconsistent, even hostile message. The next president has the opportunity to end a policy that is inconsistent with good public health practices, furthers the stigma associated with HIV and AIDS, and undermines American leadership on health and beyond.

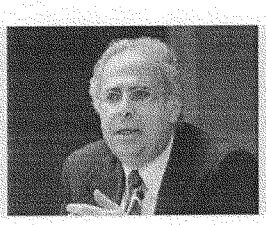
3 PUBLIC DIPLOMACY

IMPROVING ACCESS TO INTERNATIONAL KNOWLEDGE AND LEARNING

Effective public diplomacy is central to any discussions about American image and influence in the world today. The intent of public diplomacy is to communicate with the people, not the governments, of foreign countries. Governments traditionally use public diplomacy to exercise influence over individuals, groups, institutions, and public opinion abroad in support of its national objectives. Public diplomacy is broader, though, than the official activities of government. It is part-and-parcel of everything America does and says as a country and society. Every U.S. citizen serves as a diplomat, whether at home interacting with foreigners or when traveling abroad.

Recent U.S. administrations have struggled to get public diplomacy right. More than public relations, effective public diplomacy moves both people and information and helps provide insight into the policies and values of the United States. It also improves Americans' awareness and understanding of the world beyond our shores. Despite past successes during the Cold War, a number of U.S. decisionmakers dismiss public diplomacy as ineffective or as mere propaganda. Although a number of independent commissions have criticized the U.S. government for problems implementing public diplomacy, it remains a critical part of U.S. smart power.

Much of the current debate over revitalizing public diplomacy efforts has centered on institutional arrangements and resource levels. It is a well-known story by now that during the Cold War, the U.S. Information Agency (USIA) undertook public diplomacy and helped to shape public opinion behind the Iron Curtain. In the Cold War's aftermath, however, the United States essentially demobilized its public diplomacy efforts as part of a budget-cutting "peace dividend." Beginning in 1995, Congress drastically cut funding for the activities of the USIA, which the Clinton administration eventually merged into the State Department in 1999.

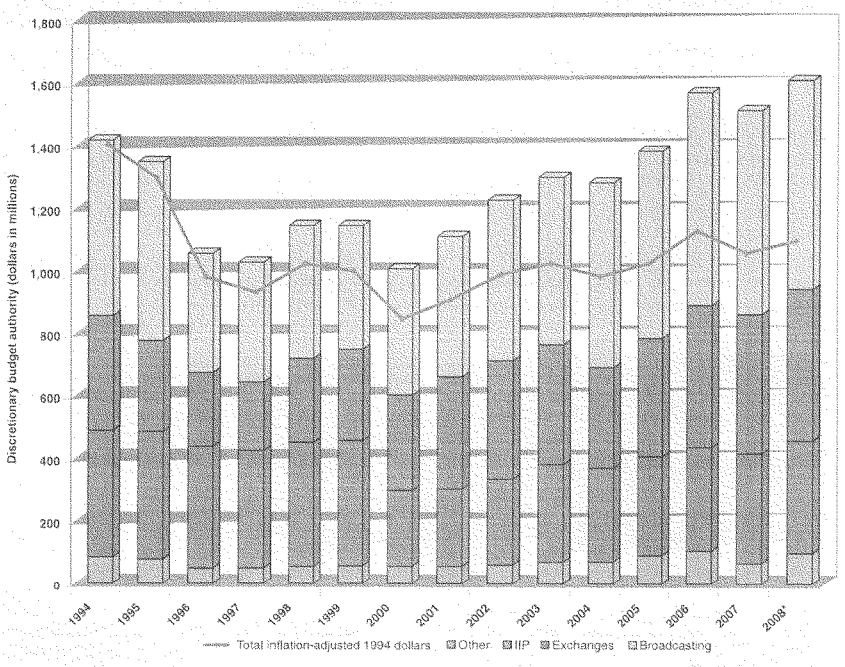


"A smarter public diplomacy is one that shows respect toward other countries, and a willingness to understand local needs and local issues."

JOHN ZOGBY

Although the Clinton administration created a new under secretary for public diplomacy in 1999 and overall spending on information and educational and cultural affairs rebounded in 2001 under the Bush administration, spending has remained at levels well below the USIA budgets at the start of the 1990s. Current annual public diplomacy spending is just under $1.5 billion—less than what France spends annually on comparable public diplomacy efforts.

Public Diplomacy Spending, 1994–2008



*Request.
Data source: U.S. Office of Management and Budget, public database.

Note: IIP = International Information Programs; other = (principally) National Endowment for Democracy, East-West Center, Asia Foundation, and North-South Center.

Although USIA should not have been abolished, reviving the agency may not be the most practical option at present. The next administration should strengthen our resource commitment to public diplomacy and consider what institutional remedies—in addition to capable leadership—could help make U.S. government public diplomacy efforts work most effectively. One possibility the next administration should consider is the establishment of an autonomous organization charged with public diplomacy and reporting directly to the secretary of state. This quasi-independent entity would be responsible for the full range of government public diplomacy initiatives, including those formerly conducted by USIA.

Whatever the institutional framework, improving the effectiveness of U.S. government public diplomacy efforts in the field will require a higher degree of cultural understanding and awareness on the part of American officials. Local populations often discount U.S. government public diplomacy efforts as official propaganda because these efforts fail to be properly situated in the local context. Little will change if diplomats are penned in by embassy walls and lack adequate resources or if broadcasting misreads cultural cues and appears to be inauthentic, as is too often the case.

CSIS recently addressed this issue through another high-level commission. The Commission on the Embassy of the Future defined "embassy" in a broad sense, of which embassy buildings are only one dimension. U.S. presence and diplomatic capacity are functions first and foremost of our people and their ability to carry out their mission.

The Embassy of the Future Commission supports the modernization and reform of the diplomatic profession and its infrastructure that are already under way. It urged the State Department to do more, however, including building a bigger and better-trained State Department workforce, embracing the technology and policies that can expand diplomatic reach, and implementing a risk-managed approach to security that allows for greater interactions in the field required for successful diplomatic engagement.

Certain elements of public diplomacy will always remain in the government's purview since it is linked to the national interest and policy objectives of the U.S. government, and individuals and groups who do not share or understand these objectives can not effectively carry forth the government's message. The U.S. government, though, may not always be the best entity to engage foreign populations in public diplomacy. Today's environment poses new challenges to U.S. public diplomacy efforts. Most governments are used to speaking with a single, authoritative voice to other governments. They control their message and counter misinformation through traditional diplomatic methods and channels. The advent of the global information age and a growing and highly fractured political consciousness, however, have increased the difficulty of favorably shaping public opinion in foreign lands. Attacks on America's message from non-state actors can only be countered with an agility and authenticity that most governments lack.

Nongovernmental organizations have a role to play in strategic communication, provided that they are viewed as genuinely independent organizations that are not necessarily towing the official line. The final chapter of this report recommends that the next administration create an institution outside of government that could help tap into expertise in the private and nonprofit sectors to improve U.S. strategic communication from an outside-in approach. The following signature initiative picks up on this theme, suggesting new U.S. government investments in citizen diplomacy.

SIGNATURE INITIATIVE: INVEST IN EDUCATIONAL EXCHANGES

Public diplomacy efforts go well beyond USIA, the Voice of America, and other media-driven approaches. An effective public diplomacy approach must include exchanges of ideas, peoples, and information through person-to-person educational and cultural exchanges, often referred to as citizen diplomacy. Years of successful exchanges have demonstrated the effectiveness of face-to-face interactions in breaking through ste-

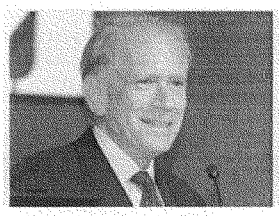
reotypes and creating trust. As Edward R. Murrow famously said, the critical link in the international communication chain is the "last three feet," which is bridged by personal contact. In this regard, the American public constitutes the United States' greatest public diplomacy assets, particularly young people who increasingly study, work, volunteer, and travel overseas.

Today's youth are perhaps the most globally aware generation in history.

Today's youth are perhaps the most globally aware generation in history. More than any other age cohort today, they consider themselves to be "citizens of the planet Earth" rather than citizens of the United States. They tend to favor a wiser internationalism and have a sense that their actions impact far beyond their own community. Nearly one in four expect to study, live, or work in another country during their lifetime. The number of U.S. college students studying abroad as part of their college experience has doubled over the last decade to more than 200,000, though this still represents slightly more than 1 percent of all American undergraduates enrolled in public, private, and community institutions.

One way to encourage U.S. citizen diplomacy is to strengthen and expand America's study abroad programs at both the university and high school levels. The typical American student who studies abroad today is a white woman from a middle or upper class background, pursuing a liberal arts degree, and studying for eight weeks or less in England or another country in Western Europe.

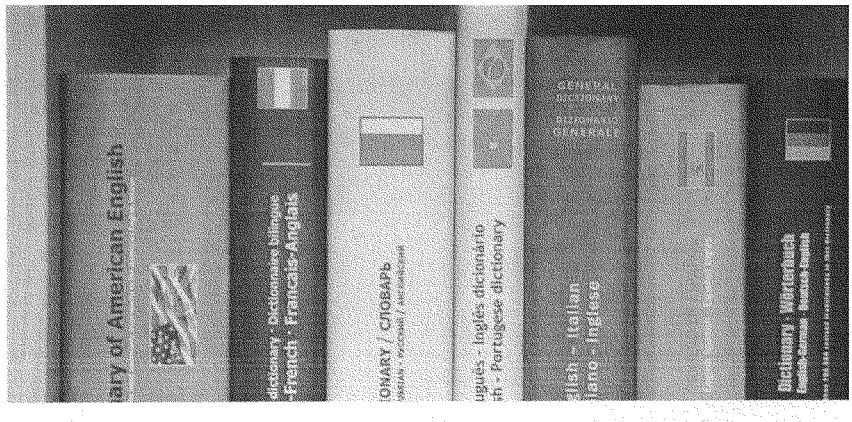
In addition to increasing the number of American students going abroad, the next administration should make it a priority to increase the number of international students coming to the United States to study and do research and to better integrate them into campus life. Some Americans may be wary of opening our doors during war time, particularly to students from the Arab and Muslim world, but these students pose less of a security threat than other foreign nationals in the United States. They are now the most closely monitored and can provide our society with the greatest benefit.



"The American education system is the foundation of good public diplomacy and our international image."

ALLAN E. GOODMAN

America remains the world's leading education destination, with more than a half-million international students in the country annually. Numerous surveys show that the best and brightest are attracted by the quality and diversity of our educational system, the degree of innovation and choice it permits, and our historically open academic doors. Interest in the nation's Fulbright exchange program is at record high levels, and applications have substantially increased since 9/11, including from the Islamic world.



Despite these positive trends, however, many foreign students looking for educational opportunities have turned away from the United States, in part because of the perception that America has become less hospitable to foreigners. Although student visas are no longer the problem they once were, border inspections and homeland security requirements remain unnecessarily onerous and unwelcoming. There was once a time when Americans could assume with some degree of certainty that many of the future leaders of foreign countries would be educated in the United States. This may no longer be the case.

We urge the next president of the United States to make educational and institutional exchanges a higher priority by taking the following steps.

■ Expand successful exchange and education programs. In 2006, the U.S. Department of State spent $238.4 million on academic exchanges, of which $183.9 million was attributable to the Fulbright program. Congress should double this appropriation, with greater emphasis placed on support for students and professionals in the medical, engineering, computer sciences, and education field. The next administration should also expand the State Department's International Visitor Leadership Program, which has welcomed more than 200 current and former heads of government, and the Department of Defense's National Security Education Program, which provides opportunities for U.S. students to become more proficient in cultures and languages of world regions critical to U.S. interests.

■ Launch U.S.-China and U.S.-India Educational Funds. China and India are rising powers and together comprise more than a third of the world's population. The next administration should propose a ten-year special allocation of new funds administered through the Fulbright program to create a new generation of American specialists on China and India, as well as a new generation of Chinese and Indian specialists on the United States.

■ Expand Middle East language competencies. Since 9/11, there has been a substantial increase in American students studying Arabic and other languages of the Middle East and Southwest Asia, but more are needed. During the Cold War, the U.S. government funded programs to build an intellectual foundation for understanding the Soviet Union in our colleges and universities and to teach relevant language skills. The commission believes the U.S. government should increase spending to boost scholarships and language competencies.

■ Draw on America's cultural advantages. America's immigrant communities provide a rich source of international understanding within our borders. Many Americans have a connection to other parts of the world, are fluent in their ancestral language, and could serve as citizen diplomats abroad. Too few of these people take part in exchange programs or are accepted into civilian service within the U.S. government. The U.S. government's security paranoia discourages Americans of foreign background from holding national security positions. With proper monitoring and screening, the next administration should consider these Americans to be security assets rather than security risks. The U.S government should provide financial incentives, such as tuition assistance, for first-generation Americans to work in foreign policy or national security positions in the U.S. government.

"America will be a smarter and stronger power as we draw more fully on the rich diversity of our society."

TERENCE A. TODMAN

4 ECONOMIC INTEGRATION

INCREASING THE BENEFITS OF TRADE FOR ALL PEOPLE

In this period of accelerating global economic integration, with all the opportunities and challenges that it implies, America stands as one of the most critical players on the world stage. The United States is the world's largest economy, the largest exporter and importer, and the recipient of the greatest amount of foreign direct investment. The American labor force is highly flexible and productive, and our corporate and financial structures are world class.

International trade has been a critical ingredient to U.S. economic growth and prosperity. Over the past decade, trade has helped increase U.S. GDP by nearly 40 percent, resulting in net job creation in the United States. Approximately one-third of American jobs depend on trade. Manufacturing exports have increased 82 percent over the past decade, and one in every three U.S. acres is used to produce products or services for export. Trade also ensures that American consumers have access to affordable goods and services. It helps keep inflation in check, interest rates low, and investment levels high. In recent years, it also helped dampen the effects of recession when the U.S. economy has slowed.

The United States is inextricably tied to the global economy that we took the lead in building in the aftermath of World War II. We are also possibly the nation that benefits most from trade. Because the United States has an open economy, with tariffs and nontariff measures among the lowest in the world, further global trade liberalization through the World Trade Organization (WTO) or free trade agreements means that other nations are required to reduce their barriers to trade proportionately more than we must ourselves. Put simply, the United States is a net winner in the international trade system.

This reality should not breed complacency, however. The United States must do more to prepare itself for increasing economic competition. American entrepreneurs and companies no longer dominate the realm of new ideas and products. For example, half of all patents issued in 2006 were of foreign origin. American contributions to scientific journals have declined by over more than 15 percent in the past 15 years. In 1981, U.S. national security institutions accounted for one-fifth of research and development among developed countries, but today that fraction has declined to roughly one-tenth. American excellence in science and technology underlies the nation's economic performance, quality of life, and national security.

The changing nature of the global economy has fundamentally altered the basis of global com-

"Trade is an opportunity to compete and make a better world for all people."

CHUCK HAGEL

"Fifty years ago the federal government was the main decisionmaker. Now, the private sector and individuals have a much greater ability to drive policy."

DAVID M. RUBENSTEIN

petition. Unlike in the past, the competition is less for markets and more for capital, talent, and ideas. For example, the changes in computing, communications, and transport technology have made the operation of a global supply chain a competitive necessity.

To ensure that we have the best talent and ideas, the next administration must reexamine our public school system to ensure that we are graduating high school students ready for work, college, and citizenship. The Bush administration has admirably sought to do this through No Child Left Behind, but a regular reassessment of how and what our young people are learning is critical. Whether a high school graduate goes on to higher education or not, he or she will enter a workplace that is most likely tied to the global economy.

The answer to competition should not be retrenchment but further engagement - and the United States must take the lead.

The American private sector also has a responsibility to help educate the next generation of workers. The next president should challenge the corporate sector to develop its own training and internship programs that could help teach the skills that American workers will need in the decades to come. The next administration should consider a tax credit for companies to make their in-house training available to public schools and community colleges.

Companies should also remain actively involved in pushing for a more effective immigration policy. Although immigration is not the subject of this commission, in our aging society, immigrants are central to maintaining American economic productivity, competitiveness, and job growth. The next administration should seek to build bipartisan consensus on a smart immigration policy that takes advantage of immigrant skills at both the high and low ends of the employment ladder.

There is no doubt that the benefits of trade are not evenly distributed—within a nation or across nations. There is growing anxiety both within the United States and around the world about whether the global economic system can work for all. This anxiety finds its political expression in a growing economic populism that openly questions the benefits of trade and has an instinct to withdraw from global engagement. Although the current administration has supported the expansion of free trade, many in Congress are calling for a halt to new trade agreements, the rollback of existing accords like NAFTA, and higher barriers to immigration.

Anxiety about the global economy is not limited to the United States, nor is it new. For decades, political leaders across the globe have appealed to local populist sentiment and opposed greater economic integration. Today—whether it is the near collapse of the Doha Round of the WTO, battles in Europe over the European Constitution, failed attempts to create a Free Trade Agreement of the Americas, or delays in concluding bilateral free trade agreements—efforts to tie economies closer together continue to come under question and under fire.

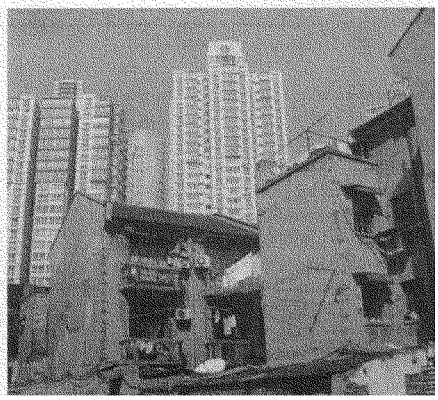
It is against our economic and security interests to contribute to or ignore poverty and desperation around the world.

The answer to competition should not be retrenchment but further engagement—and the United States must take the lead. Americans have never shied away from a tough fight. Rather, we have responded by honing our skills and staying on the cutting edge. It should be no different today. However, as we embrace healthy competition, we must also not forget those who lose their jobs or are displaced by globalization. Current data and analysis illustrate that the gains from globalization are disproportionately concentrated at the upper end of the income distribution chain with earnings among the middle class falling. The middle class continues to be disproportionately affected by the economic changes under way in the American economy, including the impact of globalization.

Easing the burden on U.S. and foreign workers most affected by globalization is an essential part of an aggressive global trade strategy. Politicians should support domestic economic policies that foster a broader sharing of the benefits of global engagement. Trade Adjustment Assistance, despite its recent expansion, has been met with mixed reviews. Its objectives are the right ones, though—helping displaced workers develop new skills and transfer into new industries. More must be done on this front.

Internationally, the next president must refocus our foreign assistance as this report previously discussed and, to the extent we can, exercise our influence in international financial institutions to direct the efforts of these organizations toward aiding poorer countries that face the inevitable adjustment issues that that come with an opening of markets. We should also reexamine our own trade policies toward these nations. An interesting model could be the EU's "Everything but Arms" regime for the least-developed nations, which provides for tariff-free access to all goods other than arms, including most agricultural products. It is in the U.S. interest to ensure that those hurt most by globalization—our world's poorest nations and people—are able to make new lives for themselves. Conversely, it is against our economic and security interests to contribute to or ignore poverty and desperation around the world.

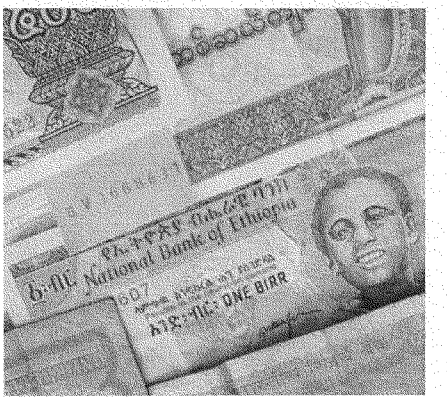
A smarter global trade policy depends on shaping an economy that is sufficiently flexible and



competitive enough to deliver economic benefits while minimizing the human cost of adjusting to economic dislocation. This is a bipartisan challenge and must be a bipartisan effort.

SIGNATURE INITIATIVE: RELAUNCH THE DOHA ROUND ON MORE EQUITABLE TERMS

■ Create a Free Trade Core within the WTO. The next administration should negotiate a "plurilateral" agreement among those WTO members willing to move directly to free trade on a global basis. The objective of the core, which would have a defined accession criteria and process, would be to provide a more effective alternative to the proliferation of bilateral free trade agreements outside the WTO, which are proceeding apace and in some cases undermining the multilateral framework. Although consensus within the full WTO would be the ideal and should remain the goal, it is in many cases not realistic. A core group would restore the cause of liberalization within the WTO and might even prod those who resist liberalization closer toward free trade. Countries not able or willing to meet the core criteria would be allowed to observe the talks, something they are specifically excluded from at bilateral and multilateral trade negotiations.



■ Lock in a Minimum Measure of Global Trade Liberalization. Negotiate a fully multilateral round of trade liberalization applicable to all WTO member countries based on the limited commitments already on the table in the Doha Round.

■ Free Market Access for the Least-Developed Countries. Developed countries should follow the EU lead and offer free market access without reciprocity to the poorest nations. The United States should encourage middle income developing countries and other emerging markets, such as Brazil, Russia, India, China, and South Africa, to develop a harmonized schedule for doing the same.

■ Recommit to Facilitating Adjustment. To help displaced workers at home, the next administration and Congress should fundamentally reform Trade Adjustment Assistance (TAA) in the United States. It should be combined with the resources of unemployment insurance and Workforce Investment Act programs into a single government program designed to facilitate the reentry of American workers who lose their jobs, regardless of whether the loss can be tied to trade.

■ Challenge the Private Sector to Maintain Best Practices. The onus of ensuring that workers around the world have the same rights as workers in the United States is on our corporate leadership. It hurts America's image and influence for U.S. companies to take advantage of workers in poor countries simply to boost an already strong bottom line. Many American companies understand and honor this code, but not all. American corporate leaders ought to speak out publicly on this issue.

5 TECHNOLOGY AND INNOVATION

ADRESSING CLIMATE CHANGE AND ENERGY INSECURITY

Enhancing our energy security must become more than a political catch phrase. It requires concerted action and policies aimed at reducing demand through improved efficiency, diversifying energy suppliers and fuel choices, and managing geopolitics in resource rich areas that currently account for the majority of our imports.

"Powering the global economy, creating millions of new jobs and keeping our planet alive and healthy should be a national priority."

BETTY McCOLLUM

The importance of finding creative solutions is only likely to heighten in the years ahead.

Over the coming decade, world energy demand is projected to rise to unprecedented levels driven by population growth and economic development. A growing proportion of this demand growth will occur in developing countries, particularly China and India. Massive amounts of investment and infrastructure will be required to produce and deliver enough energy to meet these societies' needs.

Limitations to developing oil and gas resources, the majority of which are geographically concentrated in a handful of regions, are driving greater concern over energy security in various regions around the globe. This in turn is spurring development of new energy resources and creating incentives for a greater reliance on domestically abundant resources like coal in the United States, China, and India. This remarkable growth in demand is occurring at a time when a patchwork of carbon-constrained environments has emerged in response to increasing concern over the impact of global climate change.

In response, American states and cities as well as countries around the world and a growing portion of the private sector are taking action to reduce their respective greenhouse gas emissions (GHGs) while simultaneously calling for greater commitments on the part of the U.S. government and other major rising emitters like China and India. Neither the U.S. government nor industry has driven these trends, but they are both increasingly responding to them.

"Innovation and creativity are our inherent national strengths and must be harnessed to meet the great challenges facing America today."

NANCY LANDON KASSEBAUM BAKER

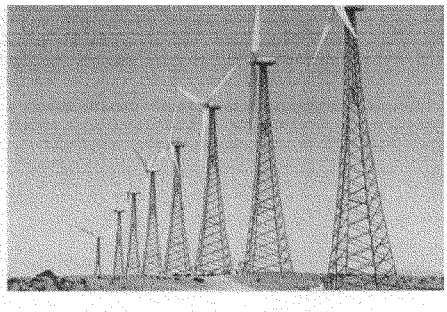
In the past year, there has been increasing awareness of how countries and companies view their own energy production and use, as well as their environmental footprint. A recent study by the National Petroleum Council (NPC), for instance, which represents the major oil and gas industry perspective, was entitled "Facing the Hard Truths about Energy" and stressed the importance of energy efficiency and the development of alternative fuels as part of a multi-component approach. New innovation on energy and climate is being spurred by state and local regulations and company anticipation of government regulation on a national level.

Many companies are delaying investment in a variety of energy infrastructure projects, however, particularly in the power generation sector. This is because of uncertainty over the sustained traction of climate policies emerging at the state and local level and questions of whether and how soon affordable technology for providing low-carbon alternatives will come online. Companies also are uncertain over the cost and regulatory approach associated with implementing carbon constraints, as well as the risk of the emergence of future constraints. This delay in investment in infrastructure undermines the reliability of our current energy supply.

A world operating on differing sets of rules or costs associated with carbon dioxide emissions could have disruptive implications for trade, energy security, competitiveness, and economic growth. A world, however, that establishes a global consensus on the cost of carbon could breathe life into new and emerging sectors of the economy, provide new avenues for U.S. economic growth, and provide a platform for U.S. global leadership on a major issue of concern to the global economy.

U.S. leadership to shape a new energy framework in a carbon-constrained world offers a unique opportunity to alter the geopolitics of energy, improve energy security, reinvigorate the spirit of innovation and entrepreneurialism, and engage disenfranchised portions of the developing world.

A smart power approach to energy security and climate should focus on what Americans have long done best—innovating. A majority of the American public supports action to combat global warming and improve energy security. The next administration should prioritize bringing together the government, private sector, and civil society to discuss next steps to compete in a carbon-constrained world.



SIGNATURE INITIATIVE: INVEST IN A CLEAN ENERGY FUTURE

■ Establish a Common Principles Charter for Advanced Energy, Security, and Sustainability. The United States should take a leadership role within international institutions to create a common principles charter outlining the principles of sound energy policies and practices that serve as the foundation for global energy security. Provisions of the charter could include: protection of sea lanes and critical energy infrastructure; investment-friendly regulatory and legal frameworks that also respect the development needs and sovereign rights of resource holders; regular dialogues between producers and consumers to improve information sharing and facilitate government-industry cooperation; and improved governance and transparency of revenues and sustainability principles.

■ Create a Level Playing Field to Underpin the Carbon-Constrained Economy. To expedite the deployment of clean energy technologies, spur the development of new technologies, and create a level playing field on which companies can compete without distorting the effects of subsidies, it is necessary to place an economic value on GHG emissions via a mechanism that sends clear, long-term price signals for industry in all sectors of the economy. The system must be flexible, allow companies to operate around the world, and be integrated into global trade regimes to enable optimal trade of goods and services. There are many mechanisms being proposed to serve as the foundation for this level playing field, and the United States, with its history of creating and maintaining global institutions and norms, must play a leading role in their creation to ensure the long-term stability of any global framework as well as continued global economic stability and development.

■ Set up and Fund a Joint Technology Development Center. Energy technology development and deployment are critical elements of any energy and climate solution. International collaboration can play an important role in sharing the cost of and accelerating the pace of innovation. Financial and technical resources, intellectual property rights and ownership issues continue to remain barriers to greater technology cooperation across borders, inhibiting the transfer of new technologies to developing countries. The U.S. Department of Energy, in partnership with major global energy companies and international and regional development banks, should establish a 10-year endowment for funding energy and technology related research. The fund should be administered by an international consortium of the National Science Foundation and its equivalents in large energy consuming nations and disbursed through a peer-review process to U.S. and international researchers in order to provide venture capital to develop and deploy next generation energy technologies. This could include a special focus on biofuels, which have the potential to play a particular role in aiding development in poor countries.

■ Establish Global Free Trade in Energy Efficient Goods and Services. The next administration should negotiate the elimination on a global basis of all barriers to trade and investment in goods and services that contribute to energy efficiency and the reduction of carbon dioxide emissions, along with any barriers to trade in financial services that would inhibit the development of a worldwide market for carbon trading. This could be a first priority for the Free Trade Core in the WTO, as discussed in the previous section.

PART III | RESTORING CONFIDENCE IN GOVERNMENT

Implementing a smart power strategy depends on the government's ability to organize for success. Many Americans, though, have lost faith in government's ability to adapt and work effectively in today's world. They look at the failed health care reform efforts of 1990s, the slow and inadequate response to Hurricane Katrina, the lack of body armor for American troops, even the long lines that plagued our passport centers for a time and wonder what it will take to make our system work again.

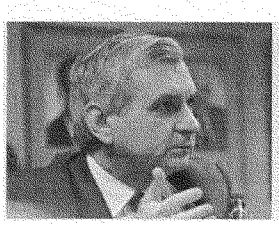
Six in ten Americans believe that when something is run by the government, it is typically inefficient and wasteful, according to a 2007 Pew poll. This cynicism has led Americans to feel increasingly estranged from their government, with only a third believing that most elected officials actually care what they think. A 2007 Gallup poll revealed that public confidence in the government's ability to handle international problems was at its lowest level since 1972.

This perception of an uncaring, ineffective U.S. government is even more pronounced abroad among non-U.S. citizens. Non-Americans are largely cynical about U.S. motives. In such an environment, difficulties in implementation are often interpreted as malice. Our inability to generate reliable electricity in Iraq is seen as a way for us to maliciously punish Iraqi citizens. The bombing of the Chinese embassy in Belgrade is presumed to be intentional. Any inefficiencies in the visa system or difficulties in entering U.S. territory are assumed to be an American effort to keep certain foreigners out.

Given the low threshold of mutual trust that exists today, it is especially important that U.S. government leaders have the proper mindset, tools,

"Having a winning strategy is meaningless without the means to implement it."

ANTHONY C. ZINNI



"Any greater investments in soft power are going to run up against a U.S. military that must be reset and reequipped."

JACK REED

and personnel to implement a smart power strategy. Will the next president be willing to make the hard decisions and trade-offs to put into practice a smart power vision?

There is no silver bullet for ensuring effective implementation of a smart power strategy, and this commission has purposefully sought to stay away from offering sweeping recommendations on government reorganization. Moving boxes around and building new ones is not always the right answer. Even still, the next president ought to undertake a strategic reassessment of government structures and readiness.

Chief among these, the next president is going to face intense pressure to reset the U.S. military, both in terms of manpower and material. As this report has argued, maintaining U.S. military power is paramount to any smart power strategy. Although the Pentagon wrestles over the focus of this reset—whether, for instance, it should center on traditional power projection military missions or on future long-duration counterinsurgency or stabilization missions—the president will have a broader set of decisions regarding the proper investments in and balance of hard and soft power tools.

Which tools work and which do not? Which require massive overhaul, and which merely call for new leadership and direction? How can coordination and integration between our military and civilian tools of national power be enhanced?

This chapter seeks to identify some of the challenges that have in the past impeded better integration of our soft and hard power tools and suggests a menu of options that the next president could consider to address this challenge and to maximize effectiveness.

IMPLEMENTATION CHALLENGES

There is widespread understanding that America needs to improve its ability to integrate hard and soft tools into a seamless fabric of capability. There are, however, at least 10 interrelated factors that hinder the U.S. government's ability to bring about this integration.

First, there is little capacity for making trade-offs at the strategic level. The various tools available to the U.S. government are spread among multiple agencies and bureaus. There is no level of government, short of the president himself, where these programs and resources come together. A program in one department, such as English language broadcasting to Pashto-speaking Afghans and Pakistanis, is not easily compared in value against a set of new trucks for an Army battalion. Increasing the size of the Foreign Service would cost less than the price of one C-17 transport aircraft, for instance, yet there are

no good ways to assess these trade-offs in our current form of budgeting.

Second, programs promoting soft power lack integration and coordination. The numerous existing programs that promote American soft power—development assistance, humanitarian relief, diplomatic presence, public broadcasting, educational exchanges—are fractured and spread across many agencies and bureaus. The lack of coordination limits the impact of any of these individual programs and prevents them from being integrated into broader strategies to promote American interests.

Third, the U.S. government has not invested sufficiently in civilian tools. America is increasingly involved in multi-faceted tasks such as the reconstruction of states and societies after wars. Yet the civilian agencies of the federal government lack the resources and experience to undertake these complex tasks. By default, the military has had to step in to fill voids, even though the work would be better administered by civilian personnel. This ad hoc action by the Defense Department further undercuts the demand that civilian agencies develop these competencies.

Fourth, civilian agencies have not been staffed our resourced for extraordinary missions. What distinguishes the Defense Department and military organizations is their ability to mobilize resources in times of emergency. The Pentagon is able to respond so ably to crisis because it buys more people in peacetime than are needed for daily peacetime operations. The Defense Department has 10 percent more officers than it has jobs at any one time and uses that extra 10 percent "float" for training exercises and assignments in other agencies. Civilian agencies have not chosen or else not been allowed by Congress to budget a manpower float. As such, they do not have the experience or the depth to take on emergency assignments.

Fifth, diplomacy today requires new methods compared to traditional diplomacy. There was once a time when diplomacy involved American officials meeting quietly to discuss problems with foreign government and private sector elites. While there is still a central role for these formal channels of dialogue, diplomacy today is far more diverse and challenging. Elites of any one nation today often have more in common with counterparts in other countries than with most citizens in their own country. American diplomats need the capacity to reach beyond these traditional sources of information and channels of influence to better understand and shape views abroad.

Sixth, insufficient authority resides in field organizations. Technology has undercut traditional tools of statecraft. Modern innovations in communications and transport have made it possible for officials stationed in headquarters in Washington, D.C. to increasingly undertake actions that once were only possible by surrogates in the field. The problem this poses is that no headquarters organization can comprehend the complex cross currents underway in distant countries. Reform efforts typically place even greater power in the hands of Washington officials, even though a sophisticated understanding of complex local developments would argue for more authority to be vested in field operations rather than less.

Seventh, civilian agencies lack regional operational capabilities. The Defense Department has divided the world into specific regions and given responsibility for all its activities within that region to a regional commander. This permits a region-wide integration of strategies and plans. Civilian agencies lack this intermediate command structure. The Washington headquarters for the civilian departments links directly to a national representative in a given country, oftentimes the country ambassador, who cannot develop regional strategies.

Eighth, short term exigencies tend to drive out long-term planning. For better or worse, the modern news cycle and the politics of Washington creates disproportionate priorities for addressing near-term crises at the expense of long term strategic thinking. The National Security Council should be the place for long-term strategic thinking and planning, but it is constantly drawn to breaking crises and urgent developments. This short term horizon infects all Washington headquarters operations.

The government must learn to tap into and harness the vast soft power resources in the private sector and civil society.

Ninth, Congress and the Executive branch need a new understanding. Washington politics has become gladiatorial. Cabinet secretaries are pulled before congressional committees in contentious settings. Longstanding congressional leaders of both parties have seen their authority circumvented. A climate of confrontation has displaced a culture of cooperation. This trend has been growing for years, but Congress now puts the smallest directions in law to bind the hands and direction of the Executive Branch, while the Executive Branch fails to consult on key national security decisions.

Tenth, many of the tools that promote change are not in the hands of government. The dynamic dimensions of American life today are largely in the private sector, not in government. Nongovernmental organizations, private foundations, businesses, universities and citizens undertake innovative and exciting activities every day that boost the power and attractiveness of the American model. Vast deposits of soft power reside in the private sector, yet the U.S. government is largely oblivious to these resources and does not know how to tap them for coordinated affect.

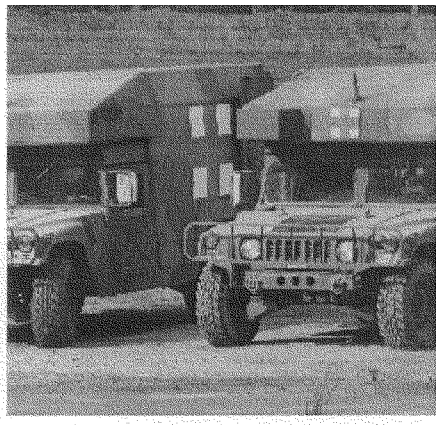
TOWARD A NEW APPROACH

The forces of disintegration in our soft and hard power tool kit are strong. It will take a dedicated effort by the next administration to overcome these challenges. In some instances, the problems call for new institutions or renewed mandates for existing institutions. In other instances, the problem can best be addressed with leadership and accountability. Domestic politics and constituencies will also likely shape any reform process. The demands and pressures of America's domestic politics will make far more difficult the development of a sophisticated foreign policy, and investment in tools required to carry it out.

We believe reform is possible, however. We suggest that the next administration should be guided by the following five principles:

1. A smart power strategy requires that we make strategic trade-offs among competing priorities.
2. We must elevate and integrate the unique dimensions of development, diplomacy and public diplomacy into a unified whole.
3. Congress must be a partner, and develop proper authorizing and appropriating structures to support a smart power strategy.
4. We must move more discretionary authority and resources into field organizations and hold them accountable for results.
5. The government must learn to tap into and harness the vast soft power resources in the private sector and civil society.

The next president and the 111th Congress, both of which will take office in January 2009, will have their own ideas on how to organize for



success. However, we offer the following recommendations as a menu of ideas for future policy makers that would support the implementation of a smart power strategy.

Create a smart power deputy. The national security adviser is swept up in the urgent challenges of unfolding crises, and lacks the ability to focus on long-term strategy development or manage interagency trade-offs. The next administration should double-hat a deputy to the national security adviser and the director of the Office of Management and Budget (OMB), charging this individual with developing and managing a strategic framework for planning policies and allocating resources. This position would have the authority to work with the relevant congressional committees to secure funding for broad strategic purposes.

Add greater coordination capacity to the executive secretariat. It is not widely understood that each major department of the federal government has an organization and an individual designated as the "executive secretary" for that department. The role of these executive secretaries—under the overall lead of the executive secretary in the National Security Council—is to move paper and ideas among the agencies and with the White House. If a planning document is needed for an upcoming meeting of the National Security Council, the executive secretary system ensures that all relevant parties have copies of the document in advance. Although currently this is largely an administrative function, it could be augmented to have larger coordination capabilities. Coordinating the activities of various departments is always a challenge for administrations. There is no existing coordination staff for interagency operations, mainly because there is a policy dispute among cabinet secretaries as to who should be responsible. There is little support for putting a standing coordination staff in the National Security Council because it is not judged wise to have actual operations run out of the White House. The Bush administration attempted to create a coordination capacity to address post-conflict missions with the State Department's Office of the Coordinator for Stabilization and Reconstruction (S/CRS), but its effectiveness in coordinating operations critical to U.S. interests has been limited, in large part because of resistance from existing bureaus, agencies, and departments to "being coordinated." The next administration should consider creating a standing coordination center as an adjunct organization attached to the executive secretary. This option would provide the infrastructure for coordination without having the baggage of bureaucratic turf disputes over departmental roles and missions. This standing coordination organization would be available for use by whichever policy leader is selected by the president to coordinate the federal government's response to a crisis.

Create a cabinet-level voice for global development. As this report previously discussed, there are more than 50 separate, uncoordinated programs administered by the federal government that undertake economic and technical assistance. These programs are fractured, lack coordination, and are not aligned to achieve strategic goals. This represents a major impediment. The next president should task the deputy for smart power to work with the cabinet secretaries to develop a coherent management structure and a institutional plan

"Eisenhower said that a good organization can't make up for bad leadership, but without a good organization, a leader can't realize his full potential."

CHARLES G. BOYD

within the first three months of office. The Bush administration has made important additions to the government's tools through the creation of the Millennium Challenge Corporation and the President's Emergency Program for AIDS Relief. These valuable additions need to be integrated into this coherent new strategy and structure.

Establish a Quadrennial Smart Power Review. The Congress established a requirement in 1996 (H.R. 3230) that the Department of Defense conduct a systematic and comprehensive assessment of its goals, strategies, and plans once every four years. Called the Quadrennial Defense Review, it has become a major strategic planning process in the Defense Department. The next administration should undertake a parallel process for the civilian tools of national power. The next president should issue an executive order shortly upon taking office that would establish a process and a timeline for this smart power QDR to parallel the Defense Department's QDR.

Resource a "float" for civilian agencies. As discussed above, the Department of Defense is able to sustain a far superior process for leadership education because it routinely budgets for 10 percent more military officers than there are jobs for them in operational assignments. This "float" permits the military to send its officers to leadership development programs, to work as detailees in other agencies to broaden their professional experiences and judgment, and to meet unforeseen contingencies. Civilian agencies have not budgeted a comparable personnel float. To address these needs for our civilian agencies, the next president should increase the number of Foreign Service personnel serving in the Department of State by more than 1,000, and consider further expansions in other relevant civilian agencies. The value of such an expansion should be considered in the context of comparable hard power expenditures.

Strengthen civilian agency coordination on a regional basis. Civilian government agencies do not have a regional command structure comparable to the Department of Defense. The Defense Department is able to develop region-wide strategic plans because it has regional commanders responsible for large geographical areas. Civilian agencies largely have Washington headquarters operations and single representatives in national capitals. This causes two problems. First, it prevents the development of regional strategies because Washington headquarters operations often get caught up in Washington politics. And second, we fail to get integrated interagency operations in the field on a regional basis. To address this problem, the next president should give the senior State Department ambassadors known as "political advisers" assigned to advise regional military commanders a dual authority to head a regional interagency consultation council comprising rep-

resentatives from all other federal agencies that have field operations in those regions. Congress and OMB should work to provide the State Department the resources to support these regional coordination councils.

Establish a new institution for international knowledge and communication. U.S. government efforts to communicate with foreign populations often fail to develop thematic messages that resonate due to local distrust and our own misunderstandings of local realities. As a nonprofit, nongovernmental entity, this center would receive federal appropriations to more credibly communicate with populations abroad by tapping into the vast knowledge and intelligence that exist in the private and nonprofit sectors. In particular, it would seek to fill gaps where they exist in four main operational areas: (1) improved understanding (through polling and research); (2) dialogue of ideas (through mutual exchanges); (3) advice to public officials (through expert analysis); and (4) shaping foreign attitudes about the United States to fit with reality (through communications strategies). This new organization would have an independent board comprising notable American communicators with careers inside and outside of government who could provide a "heat shield" from near-term political pressures and would liaise with the numerous federal and private institutions that monitor and evaluate international developments and make recommendations for government action.

Realism and idealism have shaped U.S. foreign policy since the earliest times.

A SMARTER, MORE SECURE AMERICA

Realism and idealism have shaped U.S. foreign policy since the earliest times. The very birth of the country occurred when leading citizens in the colonies, upset at their high taxes and lack of representation, took up arms and sought to create an ideal form of self-government. America was created as an intellectual pursuit, imbued with great idealism, yet directed toward highly practical goals and objectives. It is simply false to say that some presidents are realists while others are idealists. Every decision in Washington always has elements of both.

It would be similarly false to argue or believe that hard power is shorthand for realism, while soft power is short for idealism. At the outset of the Cold War, President Eisenhower, through the now famous Project Solarium that tasked interagency teams with developing strategies for countering Soviet expansion, concluded that

"Americans are thinking globally and want change. They want to express America's potential for good by providing for others."

FREDERICK BARTON

America and the West would win the global competition with international communism through the power and dynamism of our economy and society, not through military means alone.

Military power was needed to counteract the military intimidation of the Soviet Union and the Red Army in Eastern Europe, but the strategy of containment was fundamentally grounded in a political consensus among allies and the dedicated effort to create international norms underpinned by economic liberalism. The dynamism of our economy and free societies would win the Cold War. Soft power is very real and ultimately the strongest power in our arsenal.

The business community has a concept, known as "pricing power," that refers to the unique time when a company has a product so desired by customers that the price can be raised without affecting demand. During the first three decades of the Cold War, America held the political equivalent of pricing power. Much of the world admired America and wanted to enshrine American values as the international standard. Citizens and governments consented to the creation of international institutions and norms that strengthened rule of law, representative and accountable government, open markets, transparent business relations, and support and protection to those who needed help and sought to improve their lot in life.

In recent years our standing in the world has diminished. In part this was a product of the ultimate triumph of the West during the Cold War, which left America as the lone superpower. People still admired the idea of America, but felt that our country had become too arrogant and domineering on the world stage.

The terrorist attacks on 9/11 caused America to become a frightened and angry nation. We reacted in ways that alarmed people the world over. We told people in no uncertain terms that they were either with us or against us, presenting too superficial a policy choice for the complex problems we faced. And we relied excessively on hard military power to fight the war against terrorists and violent extremists. Ultimately this is a battle that will be won by ideas, not bullets. Just like the Cold War, we will prevail when the world chooses the opportunities we defend over the despair offered by our enemies.

We understood on a gut level during the Cold War that we could only win with a wide network of allies and with America's leadership in establishing international norms that promoted the peaceful resolution of conflicts, representative governments resolving disputes through diplomacy, an international legal culture of due process and transparency, and economies expanding opportunity at all levels of society. That strategy worked brilliantly in the last century. Today's challenges are different with the rise of non-state actors, but the basic principle that allies and norms extend American influence is just as vital and relevant for this century.

America has all the capacity to be a smart power. It has a social culture of tolerance. It has wonderful universities and colleges. It has an open and free political climate. It has a booming economy. And it has a legacy of idealism that channeled our enormous hard power in ways that the world accepted and wanted. We can become a smart power again. It is the most important mandate for our next president.

APPENDIX

ABOUT THE COMMISSIONERS

Commission Cochairs

Richard L. Armitage has had a distinguished career in public service, most recently as deputy secretary of state (2001–2005). He was also assistant secretary of defense for international security affairs (1983–1989). A decorated Vietnam veteran, Secretary Armitage is president of Armitage International and sits on the CSIS Board of Trustees.

Joseph S. Nye, Jr., is currently a distinguished service professor at Harvard University, and a former dean of the Kennedy School of Government. He earlier served as assistant secretary of defense for international security affairs (1994–1995) and chairman of the National Intelligence Council (1993–1994). Dr. Nye sits on the CSIS Board of Trustees.

Commissioners

Nancy Landon Kassebaum Baker (R-KS) represented the state of Kansas in the U.S. Senate from 1978 to 1997. Senator Kassebaum was reelected to her Senate seat in 1984 and 1990, but did not seek reelection in 1996. She is married to former Senator Howard Baker (R-TX), who served as U.S. ambassador to Japan.

Frederick D. Barton is a senior adviser and codirector of the Post-Conflict Reconstruction Project at CSIS. He is also a professor at Princeton's Woodrow Wilson School. He was UN deputy high commissioner for refugees in Geneva (1999–2001) and the first director of the Office of Transition Initiatives at the U.S. Agency for International Development (1994–1999).

Charles G. Boyd, U.S. Air Force (Ret.), is president and chief executive officer of Business Executives for National Security. Previously, he served as executive director of the Hart-Rudman National Security Commission. General Boyd enjoyed a long military career and, notably, is the only POW from the Vietnam War to achieve four-star rank.

Helene D. Gayle, a medical doctor and public health expert, is president of CARE USA, a nonprofit working in 66 countries to empower women and families in the fight against poverty. Previously, Dr. Gayle was the director of the HIV, TB, and reproductive health program for the Bill & Melinda Gates Foundation and had a 20-year career with the Centers for Disease Control and Prevention and in the U.S. Public Health Service, retiring as a rear admiral and assistant surgeon general.

Allan E. Goodman is president and CEO of the Institute of International Education. Dr. Goodman was executive dean and professor at Georgetown's School of Foreign Service. He worked for the directors of Central Intelligence and of the National Foreign Assessment Center under President Carter.

Maurice R. Greenberg is chairman and CEO of C.V. Starr. Mr. Greenberg recently retired as chairman and CEO of the American International Group (AIG) after more than 40 years of leadership, creating the largest insurance company in history.

Chuck Hagel (R-NE), Nebraska's senior U.S. senator, is the second ranking Republican on the Senate Foreign Relations Committee and also serves on the Banking, Intelligence, and Rules Committees. Prior to the Senate, he had a distinguished career in the private and public sectors. Hagel is a decorated Vietnam veteran.

Sylvia Mathews Burwell is president of the Global Development Program at the Bill & Melinda Gates Foundation. Ms. Mathews Burwell previously served as deputy director of the Office of Management and Budget, deputy chief of staff to the president, and chief of staff to secretary of the treasury.

Betty McCollum (D-MN) is serving her fourth term in the U.S. House of Representatives representing Minnesota's 4th District. She is also a senior whip within the House Democratic Caucus. Previously, Rep. McCollum served in the Minnesota House of Representatives (1993–2000) and taught high school social science.

Sandra Day O'Connor is an American jurist who served as the first female associate justice of the Supreme Court of the United States from 1981 to 2006. She was nominated by President Ronald Reagan. She retired in January 2006 and is currently the only retired associate justice of the Supreme Court.

Thomas R. Pickering is a former under secretary of state for political affairs and holds the personal rank of career ambassador. He is currently vice chairman at Hills & Company and previously worked as senior vice president for international relations at the Boeing Company.

Jack Reed (D-RI), elected in 1996, serves as Rhode Island's senior U.S. senator. Previously, Senator Reed was a three-term member of the U.S. House of Representatives from Rhode Island's 2nd Congressional District. Senator Reed is also a lawyer and a retired U.S. Army captain.

David M. Rubenstein is cofounder and managing director of The Carlyle Group, one of the world's largest private equity firms. A lawyer, Mr. Rubenstein served as chief counsel to the U.S. Senate Judiciary Committee's Subcommittee on Constitutional Amendments (1975–1976) and was deputy assistant to the president for domestic policy (1977–1981).

George Rupp is president of the International Rescue Committee. Previously, Dr. Rupp was president of Columbia University (1993–2002), president of Rice University (1985–1993), and dean of the Harvard Divinity School (1979–1985).

Mac Thornberry (R-TX) has represented the 13th District of Texas in Congress since 1994. Previously, he was deputy assistant secretary of state for legislative affairs under President Reagan. Six months before 9/11, Rep. Thornberry introduced the first bill to create a Homeland Security Agency.

Terence A. Todman holds the title of career ambassador. Among his many State Department assignments, he has served as ambassador to Argentina, Denmark, Spain, Costa Rica, Chad, and Guinea; as chargé d'affaires in Togo; and as assistant secretary of state for inter-American affairs.

Anthony C. Zinni is the former commander in chief, U.S. Central Command, in charge of all American troops in the Middle East. A Vietnam War veteran, General Zinni has had a long and distinguished career with the U.S. Marines. He recently coauthored The Battle for Peace: A Frontline Vision of America's Power and Purpose (April 2006).

John Zogby is president and CEO of Zogby International, an international polling company. He is also a founding contributor to the Web site, The Huffington Post, and has polled, researched, and consulted for a wide spectrum of business media, government, and political groups.

HOW THE COMMISSION FUNCTIONED

In the fall of 2006, CSIS president and CEO John J. Hamre asked CSIS trustees Richard Armitage and Joseph Nye to chair a Commission on Smart Power that would formulate a more optimistic vision for guiding U.S. foreign policy in the years ahead. The bipartisan commission included 20 national leaders from the government, military, private sector, nongovernmental organizations, and academia. The commission met formally three times during 2007 to reach its conclusions—in March, July, and September 2007—and engaged informally on a consistent basis with project staff.

The commission was staffed by codirectors Carola McGiffert and Craig Cohen, who served as the principal drafters of this commission report. Their work and the deliberations of the commissioners were informed and guided by a number of important sources who deserve to be recognized here.

Project research was conducted overseas, in Washington, and around the United States. More than 25 CSIS senior scholars (listed on the following pages) lent their deep expertise to the commission by providing regional and issue assessments and writing a set of policy papers to inform the commission's deliberations. Most traveled to their region of expertise to conduct first-person interviews and research specific to the commission's work. CSIS scholars briefed commissioners at the March meeting and commented on drafts of the report. Their work provided the intellectual underpinning of this report.

Three outside advisers—Gordon Adams, Lael Brainard, and Hank Crumpton—briefed the commission at its July meeting on the tough institutional choices facing the next administration. These briefs focused on national security budgeting, development, and counterterrorism. The three also made themselves available for personal interviews to project staff throughout deliberations.

A number of CSIS associates and research assistants contributed to the production of this report. Eric Lief, senior associate in the Africa Program, produced all of the report's charts and graphs. Matthew Wills, research associate, served as the invaluable project coordinator for the commission and blog manager. Special thanks go to John Schaus, executive officer to the president, for his good judgment on substance and process throughout, and to Angela Zech who helped to get the project off the ground.

Special recognition is due to Jim Dunton and his publications team, including Donna Spitler Fields, who provided copyediting, and Divina Jocson, who executed graphics work on the charts, as well as Karina Marshall, who produced the beautiful design for the report. We are also grateful to the web team and Brad Larson for their work setting up the blog. Thanks also go to Mark Irvine for producing the graphics depicting global public opinion."

In short, the Smart Power Commission project was truly a collaborative cross-center effort, and we are grateful to the full CSIS team who contributed their time and expertise.

Project staff and commissioners were fortunate to have the opportunity to engage informally in off-the-record dialogues with senior members of the media, the diplomatic community, administration officials, congressional staff, presidential advisers, nongovernmental experts, and other opinion leaders to solicit differing perspectives. Eric Ham, CSIS

deputy director of external relations, is leading our Hill outreach effort. We are also grateful to the senior staff of our commissioners from Congress who have contributed substantively to this report.

A number of bipartisan research and advocacy organizations also lent their support to the project along the way. These exchanges of ideas have strengthened the report, and we look forward to continued collaboration. Special thanks go to Liz Schrayer of the U.S. Center for Global Engagement and its Impact '08 project, and David Shorr of the Stanley Foundation, both of whom have been important partners. Thanks as well to the Global Development Program at the Hewlett Foundation for insights that improved the commission's final report. We are also grateful to our colleagues at World Learning who served as a terrific resource.

CSIS's "Dialogue with America" played a critical role in informing the commission's work. Smart Power commissioner Rick Barton and project director Karen Meacham traveled the United States and met with Americans of diverse professional and political backgrounds to engage them in a discussion on America's role abroad. These conversations were briefed to the commission and provided qualitative insights into the thinking of Americans outside the beltway. This listening tour was the first major grassroots initiative undertaken by CSIS, a Washington, D.C.-based organization, and its success has helped us to develop a national network of diverse organizations and citizens who are interested in smart power. It is an effort we plan to continue and expand.

In July 2007, CSIS launched its Smart Power Speaker Series, which has brought national leaders not serving on the commission to Washington to discuss America's role in the world in a public forum. Speakers to date have included the head of a Fortune 500 company, a former commander of the U.S. Central Command, a senior adviser to the UN secretary general, among others. The Speaker Series and subsequent outreach efforts seek to make the commission's recommendations an integral part of America's political discourse and will continue through 2008.

CSIS has also launched a Smart Power Blog at www.csissmartpower.org. The blog serves as a platform through which CSIS experts can post the analysis they provided to the commissioners, including the results of the Dialogue with America, and comment on the events of the day. The blog provides an easily accessible national forum to discuss U.S. global leadership.

The commission is immensely grateful to the Starr Foundation for making this entire effort possible, and particularly the generous encouragement and support of Commissioner Hank Greenberg. CSIS also wishes to thank the Ford Foundation for its ongoing support of the Dialogue with America; the Rockefeller Brothers Foundation, the Better World Fund, and CG/LA Infrastructure LLC for their support of the Speaker Series.

One of the goals of this project is to inject the concept of smart power into the political discourse, and as such, CSIS outreach efforts will continue well beyond the release of this report. CSIS would like to thank Derek Chollet and Steve Biegun for their advice early in the project on reaching out to the campaigns. Commissioners and CSIS scholars will remain actively involved in briefing smart power ideas and strategy to members of Congress and their staff, presidential candidates and their advisers, other opinion leaders, and the media. It is our hope that the issues explored in this report take on a life of their own outside of CSIS and become embedded in the foreign policy of the next president of the United States.

CSIS CONTRIBUTORS

Project Codirectors

Carola McGiffert
Vice President and Chief of Staff

Craig S. Cohen
Deputy Chief of Staff and Fellow

CSIS Experts

Grant D. Aldonas
William M. Scholl Chair in International Business

Jon B. Alterman
Director and Senior Fellow, Middle East Program

Pierre Chao
Director, Defense Industrial Initiatives
Senior Fellow, International Security Program

Jennifer G. Cooke
Codirector, Africa Program

Reginald Dale
Senior Fellow, Europe Program

Peter DeShazo
Director, Americas Program

Gerald L. Epstein
Senior Fellow, Homeland Security Program

Moana M. Erickson
Deputy Director and Fellow, Scholl Chair in International Business

Steven Flanagan
Senior Vice President and Director, International Security Program

Charles W. Freeman III
Freeman Chair in China Studies

Fariborz Ghadar
Distinguished Scholar

Bates Gill
Former Freeman Chair in China Studies

David Heyman
Director and Senior Fellow, Homeland Security Program

Gerald F. Hyman
Senior Adviser and President, Hills Program on Governance

Sarah O. Ladislaw
Fellow, Energy and National Security Program

Alexander T.J. Lennon
Editor in Chief, The Washington Quarterly
Fellow, International Security Program

Eric Lief
Senior Associate, Africa Program

Sarah E. Mendelson
Director, Human Rights and Security Initiative
Senior Fellow, Russia and Eurasia Program

Johanna Mendelson Forman
Senior Associate

Derek J. Mitchell
Senior Fellow, International Security Program

J. Stephen Morrison
Executive Director, HIV/AIDS Task Force
Director, Africa Program

Erik R. Peterson
Senior Vice President, William A. Schreyer Chair in Global Analysis
Director, Global Strategy Institute

Vincent G. Sabathier
Senior Fellow and Director, Human Space Exploration Initiatives

Teresita C. Schaffer
Director, South Asia Program

Julianne Smith
Director and Senior Fellow, Europe Program

Karin von Hippel
Codirector, Post-Conflict Reconstruction Project
Senior Fellow, International Security Program

Sidney Weintraub
William E. Simon Chair in Political Economy

Anne A. Witkowsky
Senior Fellow, Homeland Security Program

Jon Wolfsthal
Senior Fellow, International Security Program

Director, Dialogue with America

Karen Meacham
Visiting Fellow

Research Associates

Matthew Wills
Research Associate
Project Coordinator, Smart Power Commission

John Schaus
Executive Officer to the President

Angela Zech
Special Assistant to the Chief of Staff

Research Interns

Adam Ball

Conrey Callahan

Peter Hering

Caroline Kemp

Adam Mirkovich

Sarah Erickson-Muschko

Chirstine Pirot

Nikhil Tristan Sekharan

Farha Tahir

Mr. TIERNEY. Thank you very much, Mr. Secretary.

Dean Nye.

STATEMENT OF JOSEPH S. NYE, JR.

Mr. NYE. Well, thank you, Mr. Chairman.

It is a pleasure to be able to address you and your distinguished colleagues on the Subcommittee on National Security and Foreign Affairs of the House Committee on Oversight and Government Reform and a particular pleasure to see on the panel in front of us two of the distinguished members of our Smart Power Commission, Representative Thornberry and Representative McCollum, who were major contributors. But that is not to implicate them. They can still as hostile questions if they wish.

In any case, what I would like to do is pick up where Rich left off.

This report is about power, and what we are trying to do in the report is widen the focus. Whoever is elected President next year is going to have a series of problems—Iraq, Iran, Pakistan—with which we are all daily preoccupied in the press and in the various conversations we have. Our feeling about the report was we needed to put these in a larger, longer term context which I gather is what you have been trying to do with these hearings of your committee.

When I say that it is about power, I mean that the United States is going to be the world's leading power for the next several decades, but how we use that power in a world in which we are confronted with the rise of Asia and with a generation-long problem of terrorists and extremists is going to be a key problem for us, and that is what we are trying to address.

When we talk about power, we simply mean the ability to influence others to get the outcomes that one wants, and you can influence others in two ways. You can do it through hard power which is carrots and sticks, threats or payments. You can do it through soft power which is the ability to attract. When we talk about smart power, it is the ability to combine those two instruments into a single coherent strategy.

If you look back historically, we did this very well as a country during the cold war. We, in fact, were able to deter Soviet aggression by our military capacity. At the same time, we were able to eat away belief in communism behind the Iron Curtain by the quality of our ideals, our public diplomacy, so that when the Berlin Wall, it fell not to an artillery barrage but to the onset of hammers and bulldozers.

That was a smart power strategy, and we are going to need a strategy like that if we are going to deal with the types of problems that I mentioned, the generation-long struggle against extremists, terrorists and the issues of rise of new nations as well as a series of transnational challenges.

Basically, the United States, because it will be the biggest, will always have a certain degree of the problem of being resented. The big kid on the block always has a bit of envy and a bit of resistance, but it matters a lot whether the big kid on the block is seen as a bully or as a friend. I think what we need to do is get in front of the world the positive views of how we can be seen as a friend, as Rich said, exporting hope rather than fear.

If you look back at the experience of Britain in the 19th century, Britain was the largest country and what it did was provide a series of international public goods, things that were good for Britain but good for others as well, and that essentially made British power more acceptable. Such things as freedom of the seas, an open international trading system, a stable international monetary system, these were, if you want, in the public good.

The United States, as the leading country, has the capacity to serve that public good. As we do so, we serve our own interests, but we also make our interests legitimate in the eyes of others and therefore increase our soft power. In that sense, it is a two for one proposition for us.

What we argued in the report was that we needed to put these various problems that we face, which are very real problems, in that larger context in which the United States is seen as a country which is promoting a public good. In that sense, we believe that we need, we had five major headings in the report that fit under this category.

We felt that it was important to reinvigorate alliances and institutions, that we have a long history, since the end of World War II, as being leaders in this area, that we need to reinvigorate that. One example that we gave of that was that it might be wise for us to ratify the Law of the Sea Treaty, but that is one of a number of examples.

We also felt, second, that we should place development in a higher priority in our foreign policy. Development aligns our aspirations with the aspirations of others.

Of the dimensions of development that we thought were most important, we focused on public health and a particular initiative on public health which would allow us to not only do ourselves good by improving the public health conditions in poor countries, which reduces the dangers of pandemics and the dangers or at least the benefits of early information about them but also helps people in those countries. In that area, which Congresswoman McCollum was very good on in our Commission, I think we have something very useful to say.

The third heading was public diplomacy and particularly focusing on the fact that public diplomacy is more than broadcasting, which tends to be one way, but that the real value in public diplomacy is what Edward R. Murrow called the last 3 feet, that face to face communications which is two-way.

There, we felt that the fact that there are 500,000 foreign students in the United States was a major gain for us in soft power, but the fact that you now have 200,000 American students going overseas is equally important. We felt that could be illustrated, perhaps, with one specific recommendation in the report which is that we ought to double the size of the Fulbright Program.

A fourth area was to maintain an open international economy. Globalization produces problems for many people but, on the larger picture, globalization provides opportunities for development and growth. If we turn away from globalization, we will in fact be hurting ourselves as well as hurting poor people in poor countries.

We need to foster an open international economy as we have in our past and do that in the context of taking care of those who

don't benefit quite as much as others from that opening. As an example there, we felt that moving ahead with the Doha Round and completing it was a concrete case.

Finally, we felt that if we look at the large challenges we face in the areas of climate change and energy security, that we have a great deal to contribute here in our tradition of innovation. American technology and innovation can make major contributions.

One example that we came to was the problem of coal-burning in China. China is adding about two coal-burning plants a week. That puts as much CO_2 into the atmosphere or all Chinese plants that burn coal put as much CO_2 into the atmosphere as we do in our transportation system in a year. We can't stop China from doing that. This is a case where hard power instruments won't do any good.

But if we were to develop the capacity to set up a new institution which used or tapped into our technological innovation to help China develop a cleaner coal itself, we could benefit the Chinese, benefit ourselves and benefit the rest of the world. That is another good example, if you want, of being able to provide global public goods.

So those were the five areas that we used as examples of how you could try to put America into this larger perspective which makes us a friend as the big kid on the block rather than the bully as the big kid on the block.

But, finally, we ended by saying that one of the problems we face is how to put our own house in order. There are a number of dimensions to that, but if you think about the way the U.S. Government is organized, both in the executive branch and the Congress, we are not integrated. We are not organized to integrate the tools in our toolbox of power. We don't know how to relate the hard power and soft power tools into a smart power strategy.

We spend $750 billion more or less on defense. We spend about $1.5 billion on public diplomacy. But even within those numbers, there are problems about tradeoffs.

For example, if the Broadcasting Board of Governors wants to save tens of millions of dollars by stopping shortwave broadcasts in English, that is a tiny sum compared to the larger questions in the defense budget, but there is no place in the U.S. Government where you can tradeoff, where you can have a strategy which asks is this a wise decision or is that a wise decision.

We recommend in that sense that there should be a new deputy to the President on the National Security Council, dual-hatted with the Organization of Management and Budget, to establish a quadrennial smart power review like the QDR in the Defense Department for defense hard power alone and to have the job of constantly updating and implementing it to make sure that agency budgets and strategies fit within it.

We also felt that it is important to realize that much of America's soft power and impact on the rest of the world is not produced by the government but produced by our civil society. An example would be the Gates Foundation work on HIV and other diseases in Africa, but there are many smaller non-profit organizations and foundations which could benefit from some help here in terms of contacts with other parts of the world.

We felt that a government fund or institution which would have government funding but a firewall of independent directors, who would then support but not control American private actors in their face to face relations with peoples in other countries, would be a very useful additional innovation in the area which your committee is concerned with.

So these are some examples of the types of things that are in the report. Obviously, in this short presentation, we can't possibly touch all the material that is there, but we did want to give you the general flavor of what we mean when we talk about widening the lens and putting our overwhelming current problems in a broader and longer term perspective.

Thank you very much.

[The prepared statement of Mr. Nye follows:]

Testimony before the
Subcommittee on National Security and Foreign Affairs,
House Committee on Oversight and Government Reform

"Smart Power and the U.S. Strategy for Security in a Post-9/11 World"

A Statement by

Richard L. Armitage
Joseph S. Nye, Jr.

November 7, 2007
Rayburn House Office Building, Rm 2154

CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, 1800 K STREET, NW, WASHINGTON, DC 20006
TELEPHONE: (202) 887-0200 FACSIMILE: (202) 775-3199 WWW.CSIS.ORG

Mr. Chairman:

We would like to thank you and your distinguished colleagues on the Subcommittee on National Security and Foreign Affairs of the House Committee on Oversight and Government Reform for the invitation to speak today on the subject of, "Smart Power and U.S. Strategy for Security in a Post-9/11 World."

As you know, we are co-chairs of the Commission on Smart Power, a bipartisan Commission that includes two of your colleagues in the House and two in the Senate, launched by the Center for Strategic and International Studies (CSIS) in late 2006 to outline a new vision for American leadership in the 21st century. The Commission released its findings earlier today. We would like to request your permission that the pre-publication copy of the Commission report be submitted into the record. It is our privilege to sit before you today to share our findings and suggest a few thoughts for shaping a new approach to U.S. strategy in the years ahead.

Preserving American Preeminence as an Agent for Good

The United States has been at war for six years now. During this time, debates over the best use of American power have tended to focus almost exclusively on fighting in Iraq and on the struggle against terrorists and violent extremism. Do we have the strategy and tools to succeed? What would constitute victory? What role should our military play? These questions have defied easy answers and divided a weary but determined nation.

The war debates will continue into 2008 and beyond. Our Commission has sought to replace the narrow lens focused on Iraq and terrorism with a broader one that looks at U.S. goals, strategies, and influence in today's world. What principles should guide U.S. foreign policy in the next administration?

Our view is that the United States must become a smarter power by investing once again in the global good—providing things that people and governments in all quarters of the world want but cannot attain in the absence of American leadership. By complementing U.S. military and economic might with greater investments in its soft power, America can build the framework it needs to tackle tough global challenges.

Specifically, the United States should focus on five critical areas:

- Alliances, partnerships, and institutions: Rebuilding the foundation to deal with global challenges;
- Global development: Developing a unified approach, starting with public health;
- Public diplomacy: Improving access to international knowledge and learning;
- Economic integration: Increasing the benefits of trade for all people;
- Technology and innovation: Addressing climate change and energy insecurity.

Investing in the global good is not charity. It is smart foreign policy. America's allies look to us for ideas and solutions, not lectures.

The goal of U.S. foreign policy should be to prolong and preserve American preeminence as an agent for good. Achieving this goal is impossible without strong and willing allies and partners who can help the United States to determine and act on priorities.

America should have higher ambitions than being popular, but foreign opinion matters to U.S. decision-making. A good reputation fosters goodwill and brings acceptance for unpopular ventures. Helping other nations and individuals achieve their aspirations is the best way to strengthen America's reputation abroad.

This approach will require a shift in how the U.S. government thinks about security. We will always have our enemies, and we cannot abandon our coercive tools. Resetting the military after six years of war is of critical importance. But bolstering American soft power makes America stronger. The U.S. government must develop the means to grow its soft power and harness the dynamism found within civil society and the private sector.

Implementing a smart power strategy will require a strategic reassessment of how the U.S. government is organized, coordinated, and budgeted. The next president and the 111th Congress should consider a number of creative solutions to maximize the administration's ability to organize for success, including the appointment of senior personnel who could reach across agencies to better align strategy and resources.

We must build on America's traditional sources of strength in a principled and realistic fashion. With new energy and direction, the United States could use its great power for even greater purposes and in the process preserve American values and interests far into the future.

Waning Influence

People and governments abroad are at some level dissatisfied with American leadership. Allies and adversaries alike openly criticize U.S. policy. One opinion poll after another has demonstrated that America's reputation, standing, and influence are at all-time lows, and possibly sinking further. This onslaught of negative reporting on how the world views America prompts three immediate questions:

1. Is it that bad? Are negative views of America as prevalent and intense in all regions of the world?

2. Does it matter? Do negative views reflect a diminished American ability to achieve its national interests and uphold its values?

3. Can it be fixed? If American influence has waned, what are the main causes of its decline, and what are the main opportunities to reverse course?

America's reputation, standing, and influence in the world matter for the security and prosperity of the United States. There is little question that America's diminished standing abroad has meant that the United States has had increased difficulty in accomplishing its goals. For foreign leaders, standing alongside U.S. policy has often appeared to be the "kiss of death." The Turkish parliament's decision to refuse to allow American troops to use its territory as a staging ground for the invasion of Iraq in 2003 had grave consequences for U.S. policy.

America may be less well regarded today than at any time in its history, but it is not too late to reverse these trends, even in the Arab and Muslim world. Doing so, however, will require a strategy that strikes a new balance between the use of hard and soft power and that integrates these elements into a smarter approach to the main challenges facing the United States and the global community.

Causes of Decline

How did the United States lose the stature and good will it had accumulated during the Cold War and in its immediate aftermath? Surely the war in Iraq—hugely unpopular during the run-up to war five years back and even more so today—is a major factor. But this is too convenient and superficial an explanation. America's deteriorating esteem started well before the war in Iraq and will not be resolved simply by ending that conflict. There are at least five significant causes of America's declining influence:

- **America's sole superpower status.** When the Cold War ended, America stood alone as the towering superpower on the world stage. Cold War allies, less dependent on U.S. assistance or security guarantees, started to resent America's unbounded dominance.

- **Reaction against globalization.** Many abroad view the United States as the main promoter of globalization, blaming America for jobs lost and what they perceive as an assault on their traditions and culture.

- **America's isolation from agreements and institutions with widespread international support.** The United States has rejected a number of recent international initiatives that were popular abroad but lacked concerted support inside the United States, giving America the reputation of being rejectionist.

- **America's response to 9/11.** Shocked, angry and frightened, America adopted methods and approaches after 9/11 that we had previously decried when used by other governments, fueling a widespread belief that we hold a double standard.

- **Perceptions of American incompetence.** Throughout the Cold War, America projected an image of vast technical competence, but recently we have projected a different image.

Taken together, these factors have produced a startling erosion of standing in the world. To be sure, America still enjoys a strong reputation in many parts of the world. People may not like America's current policies or leaders, but there is still a strong attraction to the idea of America. The United States is still seen as a land of opportunity and as the nation that must lead if there are to be solutions to global problems.

Hard and Soft Power

Power is the ability to influence the behavior of others to get a desired outcome. Historically, power has been measured by such criteria as population size and territory, natural resources, economic strength, military force, and social stability.

Hard power enables countries to wield carrots and sticks to get what they want. The Pentagon's budget for FY2008 is more than $750 billion and growing, many times more than the nearest competitor. The United States has the world's largest economy, and more than a third of the top 500 global companies are American. There is no other global power, and yet American hard power does not always translate into influence.

The effectiveness of any power resource depends first on context. Sources of strength change over time. Despite American technological advances that have made weapons more precise, they have also become more destructive, thereby increasing the political and social costs of using military force. Modern communications technology has diminished the fog of war, but also heightened and atomized political consciousness. Trends such as these have made power less tangible and coercion less effective. Machiavelli said it was safer to be feared than to be loved. Today, in the global information age, it is better to be both.

Soft power is the ability to attract people to our side without coercion. Legitimacy is central to soft power. If a people or nation believes American objectives to be legitimate, we are more likely to persuade them to follow our lead without using threats and bribes. Legitimacy can also reduce opposition—and the costs—of using hard power when the situation demands. Appealing to others' values, interests and preferences can, in certain circumstances, replace the dependence on carrots and sticks. Cooperation is always a matter of degree, and it is profoundly influenced by attraction.

This is evident in the changing nature of conflict today, including in Iraq and against al Qaeda. In traditional conflict, once the enemy is vanquished militarily, he is likely to sue for peace. But many of the organizations against which we are fighting control no territory, hold few assets, and sprout new leaders for each one that is killed. Victory in the traditional sense is elusive.

Militaries are well suited to defeating states, but they are often poor instruments to fight ideas. Today, victory depends on attracting foreign populations to our side and helping them to build capable, democratic states. Soft power is essential to winning the peace. It is easier to attract people to democracy than to coerce them to be democratic.

What Is Smart Power?

Smart power is neither hard nor soft—it is the skillful combination of both. Smart power means developing an integrated strategy, resource base, and tool kit to achieve American objectives, drawing on both hard and soft power. It is an approach that underscores the necessity of a strong military, but also invests heavily in alliances, partnerships, and institutions at all levels to expand American influence and establish the legitimacy of American action. Providing for the global good is central to this effort because it helps America reconcile its overwhelming power with the rest of the world's interests and values.

Elements of this approach exist today in U.S. foreign policy, they but lack a cohesive rationale and institutional grounding. Three main obstacles exist.

First, U.S. foreign policy has tended to over-rely on hard power because it is the most direct and visible source of American strength. The Pentagon is the best trained and best resourced arm of the federal government. By default, the military has had to step in to fill voids, even though the work would be better administered by civilian personnel. America must retain its military superiority, but in today's context, there are limits to what hard power can achieve on its own, particularly in tasks such as the reconstruction of states and societies after wars.

Second, U.S. foreign policy is still struggling to develop soft power instruments. Diplomatic tools and foreign assistance are often directed toward states, which increasingly compete for power with non-state actors within their borders. Diplomacy and foreign assistance are often underfunded and underused. These tools are neglected in part because of the difficulty of demonstrating their short-term impact on critical challenges. Civilian agencies have not been staffed or resourced for extraordinary missions.

It should come as no surprise that some of the best-funded and most appreciated soft power tools have been humanitarian operations carried out by the U.S. military such as tsunami relief in Asia and the earthquake response in Pakistan, since these operations produced results that were clear, measurable, and unassailable. Wielding soft power is especially difficult, however, because many of America's soft power resources lie outside of government in the private sector and civil society, in its bilateral alliances, or through its participation in multilateral institutions.

Third, U.S. foreign policy institutions and personnel are fractured and compartmentalized. There is little capacity for making trade-offs at the strategic level, and the various tools available to the U.S. government are spread among multiple agencies and bureaus. Coordination, where there is any, happens either at a relatively low level or else at the very highest levels of government—both typically in crisis settings that drive out long-range planning. Stovepiped institutional cultures inhibit joint action.

More thought should also be put into sequencing and integrating hard and soft power instruments, particularly in the same operating theater. Some elements of this approach are already occurring in the conduct of ongoing counterinsurgency, nation building, and counterterrorism operations—tasks that depend critically but only partially on hard power.

The United States has in its past wielded hard and soft power in concert, with each contributing a necessary component to a larger aim. We used hard power to deter the Soviet Union during the Cold War and soft power to rebuild Japan and Europe with the Marshall Plan and to establish institutions and norms that have become the core of the international system. Today's context presents a unique set of challenges, however, and requires a new way of thinking about American power.

Today's Challenges

The twenty-first century presents a number of unique foreign policy challenges for today's decisionmakers. These challenges exist at an international, transnational, and global level. They include maintaining the durability of the current international order given the rise of new powers in Asia, ensuring that vectors of prosperity do not become vectors of instability, and addressing the potential consequences of nuclear proliferation and climate change. The next administration will need a strategy that speaks to each of these challenges. Whatever specific approach it decides to take, two principles will be certain:

First, an extra dollar spent on hard power will not necessarily bring an extra dollar's worth of security. It is difficult to know how to invest wisely when there is not a budget based on a strategy that specifies trade-offs among instruments. Moreover, hard power capabilities are a necessary but insufficient guarantee of security in today's context.

Second, success and failure will turn on the ability to win new allies and strengthen old ones both in government and civil society. The key is not how many enemies the United States kills, but how many allies it grows.

States and non-state actors who improve their ability to draw in allies will gain competitive advantages in today's environment. Those who alienate potential friends will stand at greater risk. Terrorists, for instance, depend on their ability to attract support from the crowd at least as much as their ability to destroy the enemy's will to fight.

Exporting Optimism, Not Fear

Since its founding, the United States has been willing to fight for universal ideals of liberty, equality, and justice. This higher purpose, sustained by military and economic might, attracted people and governments to our side through two world wars and five decades of the Cold War. Allies accepted that American interests may not always align entirely with their own, but U.S. leadership was still critical to realizing a more peaceful and prosperous world.

There have been times, however, when America's sense of purpose has fallen out of step with the world. Since 9/11, the United States has been exporting fear and anger rather than more traditional values of hope and optimism. Suspicions of American power have run deep. Even traditional allies have questioned whether America is hiding behind the righteousness of its ideals to pursue some other motive.

At the core of the problem is that America has made the war on terror the central component of its global engagement. This is not a partisan critique, nor a Pollyannaish appraisal of the threats facing America today. The threat from terrorists with global reach and ambition is real. It is likely to be with us for decades. Thwarting their hateful intentions is of fundamental importance and must be met with the sharp tip of America's sword. On this there can be no serious debate. But excessive use of force can actually abet terrorist recruitment among local populations. We must strike a balance between the use of force against irreconcilable extremists committed to violent struggle and other means of countering terrorism if we want to maintain our legitimacy.

What is also apparent six years after September 11 is that a broader and more durable consensus is required to wage this struggle at home and abroad. The 2008 election cycle will inevitably bring forth partisan jockeying concerning which candidate and party will keep Americans most safe. This is a healthy and important debate, but one that should not preclude a bipartisan commitment to recognize and meet the global threat posed by terrorists and violent extremism. Such a commitment ought to be built upon the following four principles:

First, American leaders should stay on the offensive in countering terrorist aims abroad, but must also refuse to over-respond to their provocations. More attention ought to go toward preventing terrorists' access to weapons of mass destruction, but short of such a nightmare scenario, terrorists pose no existential threat to the United States. Their only hope—and indeed, their intended plan—is to use a sort of "jujitsu effect" in which they entice a large, powerful nation such as the United States to overreact and make choices that hurt ourselves. America must resist falling into traps that have grave strategic consequences beyond the costs of any isolated, small-scale attack, regardless of the individual and collective pain they may cause.

Second, American leaders ought to eliminate the symbols that have come to represent the image of an intolerant, abusive, unjust America. The unfairness of such a characterization does not minimize its persuasive power abroad. Closing the Guantanamo Bay detention center is an obvious starting point and should lead to a broader disassociation from torture and prisoner abuse. Guantanamo's very existence undermines America's ability to carry forth a message of principled optimism and hope. Although closing Guantanamo will be no simple matter, no legal or practical constraint is insurmountable if it became a priority of American leadership, and planning for its closure should begin well before the next president takes office.

Third, we should use our diplomatic power for positive ends. Equally important to closing Guantanamo is expending political capital to end the corrosive effect of the Israeli-Palestinian conflict. The United States must resume its traditional role as an effective broker for peace in the Middle East, recognizing that all parties involved in the Israeli-Palestinian conflict have a responsibility to bring about a peaceful solution. Although we cannot want peace more than the parties themselves, we cannot be indifferent to the widespread suffering that this conflict perpetuates, nor the passionate feelings that it arouses on all sides. Many have rightly made this recommendation before, and many will do so in the future until a just peace can be realized. In the Middle East and elsewhere, effective American mediation confers global legitimacy and is a vital source of its smart power.

Fourth, American leaders must provide the world with a positive vision greater than the war on terror. Americans need a shared aim to strive for, not simply a tactic to fight against. Efforts to pose counterterrorism operations as a global struggle between the forces of tyranny and the forces of freedom have not succeeded in drawing the world to our side. Freedom has always been part of the American narrative and should continue to be so, but too many in the Muslim world continue to read the war on terror as a war on Islam. Rather than unintentionally provoke a clash of civilizations, America's purpose should be to promote the elevation of civilizations and individuals.

In short, success in battling terrorism and restoring America's greatness depends on finding a new central premise for U.S. foreign policy to replace the war on terror. Taking its place should be an American commitment to providing for the global good. Such an approach derives from our principles, supports our interests, and strengthens our security.

Maintaining Allies, Winning New Partners

America is likely to remain the preponderant power in world politics after Iraq, but it will have to reengage other countries to share leadership. America's position as the lone global power is unlikely to last forever, and the United States must find ways of transforming its power into a moral consensus that ensures the willing acceptance if not active promotion of our values over time. This will require combining hard and soft power into a smart power strategy of working for the global good. America must learn to do things that others want and cannot do themselves, and to do so in a cooperative fashion.

The Commission on Smart Power selected five main areas for its recommendations on potential ingredients of a smart power strategy. It is not designed to be a comprehensive national security strategy, but a set of policies that could help the United States become smarter and more secure by reinvesting in the global good.

1. Alliances, Partnerships, and Institutions
Rebuilding the foundation to deal with global challenges

Although the United States never relied entirely on treaties and institutions during the Cold War, American leaders tended to view them as extensions of U.S. influence. They were tools that helped the United States to engage and counter the Soviets on multiple levels and in multiple theaters, diminishing the risk of overreliance on any single facet of American power. In recent years, however, an increasing number of Americans have turned away a norms-based approach to global engagement. They have come to view international law as suggestive rather than binding, alliances as outdated and dispensable, and international institutions as decrepit or hostile. Some U.S. leaders have preferred to rely on coalitions of the willing to achieve American objectives rather than on formal alliance structures or multilateral approaches that depend upon UN sanction.

In the short term, global norms and institutions allow the United States to address numerous hazards concurrently without having to build a consensus in response to every new challenge. Because of America's global interests and responsibilities, it often finds itself managing half a dozen crises simultaneously. Some of these challenges may be regional in nature and require regional institutions to address. Others may be transnational and require a multitude of state actors in concerted action over time—something only norms-based internationalism can yield. In the long run, investing in institutions and global norms works to preserve U.S. ideas, values, and interests into the future. This is particularly important if the relative weight of non-Western powers was to increase in the years ahead and America was to become less able to assert itself internationally.

The next U.S. administration will come to power with its own ideas about which aspects of the current international architecture are worth preserving. What is needed today is a clear-headed analysis of which aspects of the international system work to extend American power in pursuit of the global good, which work to dilute it, and which simply do not work. The next president should strike a new consensus at home and abroad for finding normative solutions to pragmatic challenges. Regardless of who sits in the White House, however, America must play a role in shaping the global agenda and international system. Leading will require the confidence and patience to work effectively in multilateral settings where new players seek to rally countries against us.

2. Global Development
Developing a More Unified Approach, Starting with Public Health

The U.S. commitment and approach to global development has been marked by inconsistency over the past half century. At those times when spending has been successfully justified in terms of American interests—most notably during the Marshall Plan to rebuild post-war Europe, the U.S. government has provided large amounts of aid to foreign lands. For the most part, though, U.S. development policy has lacked a coherent rationale that resonates across departments and agencies of the federal government. If the next administration wants to inspire people in other lands through our assistance, then it will need to develop a more unified approach and convince people that smart investments in development are in America's interest.

The Bush administration and others, however, have made a number of important innovations in global development in the past seven years, including the Millennium Challenge Corporation (MCC), the five-year, $15 billion President's Emergency Plan for AIDS Relief (PEPFAR), and the President's Malaria Initiative (PMI). The result of these various efforts is that President Bush has tripled overall assistance levels to Africa during his tenure, which in turn has contributed to a favorable U.S. standing on the continent.

The next president will have to consider which of the Bush administration's development initiatives to sustain, which to expand, and which to take in new directions. Included in this assessment must be an appraisal of the institutional reforms undertaken in recent years. In particular, the next president will need to address three vital development issues in the brief window of opportunity that exists at the beginning of any new administration: elevating the development mission within the U.S. government; developing a more unified approach to our aid; and developing locally supported and measurable delivery systems.

3. Public Diplomacy
Improving access to international knowledge and learning

Effective public diplomacy is central to any discussions about American image and influence in the world today. The intent of public diplomacy is to communicate with the people, not the governments, of foreign countries. Governments traditionally use public diplomacy to exercise influence over individuals, groups, institutions, and public opinion abroad in support of its national objectives. Public diplomacy is broader, though, than the official activities of government. It is part-and-parcel of everything America does and says as a country and society. Every U.S. citizen serves as a diplomat, whether at home interacting with foreigners or when traveling abroad.

Recent U.S. administrations have struggled to get public diplomacy right. More than public relations, effective public diplomacy moves both people and information and helps provide insight into the policies and values of the United States. It also improves Americans' awareness and understanding of the world beyond our shores. Despite past successes during the Cold War, a number of U.S. decisionmakers dismiss public diplomacy as ineffective or as mere propaganda. Although a number of independent commissions have criticized the U.S. government for problems implementing public diplomacy, it remains a critical part of U.S. smart power.

The next administration should strengthen our resource commitment to public diplomacy and consider what institutional remedies—in addition to capable leadership—could help make U.S. government public diplomacy efforts work most effectively. Public diplomacy efforts go well beyond government efforts. An effective public diplomacy approach must include exchanges of ideas, peoples, and information through person-to-person educational and cultural exchanges, often referred to as citizen diplomacy.

4. Economic Integration
Increasing the benefits of trade for all people

International trade has been a critical ingredient to U.S. economic growth and prosperity. Over the past decade, trade has helped increase U.S. GDP by nearly 40 percent, resulting in net job creation in the United States. Approximately one-third of American jobs depend on trade. Manufacturing exports have increased 82 percent over the past decade, and one in every three U.S. acres is used to produce products or services for export. Trade also ensures that American consumers have access to affordable goods and services. It helps keep inflation in check, interest rates low, and investment levels high. In recent years, it also helped dampen the effects of recession when the U.S. economy has slowed.

The United States is inextricably tied to the global economy that we took the lead in building in the aftermath of World War II. We are also possibly the nation that benefits most from trade. Because the United States has an open economy, with tariffs and nontariff measures among the lowest in the world, further global trade liberalization through the World Trade Organization (WTO) or free trade agreements means that other nations are required to reduce their barriers to trade proportionately more than we must ourselves. Put simply, the United States is a net winner in the international trade system. This reality should not breed complacency, however. The United States must do more to prepare itself for increasing economic competition.

And yet today, whether it is the near collapse of the Doha Round of the WTO, battles in Europe over the European Constitution, failed attempts to create a Free Trade Agreement of the Americas, or delays in concluding bilateral free trade agreements, efforts to tie economies closer together continue to come under question and under fire. The answer to competition, though, should not be retrenchment but further engagement—and the United States must take the lead. Americans have never shied away from a tough fight. Rather, we have responded by honing our skills and staying on the cutting edge. It should be no different today. However, as we embrace healthy competition, we must also not forget those who lose their jobs or are displaced by globalization. Easing the burden on U.S. and foreign workers most affected by globalization is an essential part of an aggressive global trade strategy.

5. Technology and Innovation
Addressing climate change and energy insecurity

Enhancing our energy security must become more than a political catch phrase. It requires concerted action and policies aimed at reducing demand through improved efficiency, diversifying energy suppliers and fuel choices, and managing geopolitics in resource rich areas that currently account for the majority of our imports. The importance of finding creative solutions is only likely to heighten in the years ahead. Over the coming decade, world energy demand is projected to rise to unprecedented levels driven by population growth and economic development. A growing proportion of this demand growth will occur in developing countries, particularly China and India. Massive amounts of investment and infrastructure will be required to produce and deliver enough energy to meet these societies' needs.

Limitations to developing oil and gas resources, the majority of which are geographically concentrated in a handful of regions, are driving greater concern over energy security in various regions around the globe. This in turn is spurring development of new energy resources and creating incentives for a greater reliance on domestically abundant resources like coal in the United States, China, and India. This remarkable growth in demand is occurring at a time when a patchwork of carbon-constrained environments has emerged in response to increasing concern over the impact of global climate change. In response, American states and cities as well as countries around the world and a growing portion of the private sector are taking action to reduce their respective greenhouse gas emissions (GHGs) while simultaneously calling for greater commitments on the part of the U.S. government and other major rising emitters like China and India. Neither the U.S. government nor industry has driven these trends, but they are both increasingly responding to them.

In the past year, there has been increasing awareness of how countries and companies view their own energy production and use, as well as their environmental footprint. Many companies are delaying investment in a variety of energy infrastructure projects, however, particularly in the power generation sector. This delay in investment in infrastructure undermines the reliability of our current energy supply. A world operating on differing sets of rules or costs associated with carbon dioxide emissions could have disruptive implications for trade, energy security, competitiveness, and economic growth. A world, however, that establishes a global consensus on the cost of carbon could breathe life into new and emerging sectors of the economy, provide new avenues for U.S. economic growth, and provide a platform for U.S. global leadership on a major issue of concern to the global economy. U.S. leadership to shape a new energy framework in a carbon-constrained world offers a unique opportunity to alter the geopolitics of energy, improve energy security, reinvigorate the spirit of innovation and entrepreneurialism, and engage disenfranchised portions of the developing world. A smart power approach to energy security and climate should focus on what Americans have long done best—innovating.

Implementing a Smart Power Strategy

There is no silver bullet for ensuring effective implementation of a smart power strategy, and the Commission on Smart Power has purposefully sought to stay away from offering sweeping recommendations on government reorganization. Moving boxes around and building new ones is not always the right answer. Even still, the next president and the next Congress ought to undertake a strategic reassessment of government structures and readiness. Which tools work and which do not? Which require massive overhaul, and which merely call for new leadership and direction? How can coordination and integration between our military and civilian tools of national power be enhanced?

The forces of disintegration in our soft and hard power tool kit are strong. It will take a dedicated effort by the next administration and Congress to overcome these challenges. In some instances, the problems call for new institutions or renewed mandates for

existing institutions. In other instances, the problem can best be addressed with leadership and accountability. Domestic politics and constituencies will also likely shape any reform process. The demands and pressures of America's domestic politics will make far more difficult the development of a sophisticated foreign policy, and investment in tools required to carry it out.

We believe reform is possible, however. We suggest that the next administration should be guided by the following five principles:

1. A smart power strategy requires that we make strategic trade-offs among competing priorities.

2. We must elevate and integrate the unique dimensions of development, diplomacy and public diplomacy into a unified whole.

3. Congress must be a partner, and develop proper authorizing and appropriating structures to support a smart power strategy.

4. We must move more discretionary authority and resources into field organizations and hold them accountable for results.

5. The government must learn to tap into and harness the vast soft power resources in the private sector and civil society.

A Smarter, More Secure America

The Commission on Smart Power sent Commissioner Rick Barton and staff around the United States to engage in a listening tour with the American people as part of this Commission's effort. We called this our "Dialogue with America." What we heard diverged from the conventional wisdom in Washington of a tired and inward-looking electorate. Instead we heard a universal desire on the part of Americans to improve their country's image in the world and tap into its vast potential for good.

We believe there is a moment of opportunity today for our political leaders to strike off on a big idea that balances a wiser internationalism with the desire for protection at home. Washington may be increasingly divided, but Americans are unified in wanting their country to be a force for good. We see the same hunger in other countries for a more balanced American approach and revitalized American interest in a broader range of issues than just terrorism. And we hear everywhere that every serious problem in the world demands U.S. involvement.

Military power is typically the bedrock of a nation's power. It is understandable that during a time of war we place primary emphasis on military might. But we have learned during the past five years that this is an inadequate basis for sustaining American power over time. America's power draws just as much from the size of its population and the

strength of its economy as from the vitality of our civic culture and the excellence of our ideas. These other attributes of power become the more important dimensions.

There is nothing weak about this approach. It is pragmatic, optimistic, and quite frankly, American. We were twice victims on 9/11. Initially we were victimized by the terrorists who flew airplanes into buildings and killed American citizens and foreigners resident in this country. But we victimized ourselves the second time by losing our national confidence and optimism. The values inherent in our Constitution, educational institutions, economic system, and role as respected leader on the world stage are too widely admired for emerging leaders abroad to turn away for good. By becoming a smarter power, we could bring them back sooner, and help build a more secure country and global community.

Mr. TIERNEY. Thank you very much. I thank both of you for that.

Let me start the questioning if I can, and I am not sure how to phrase this as eloquently as I would like, but I think you made the point in your report very succinctly that this idea of this War on Terror being the central premise of our foreign policy needs to be replaced.

I think in the current political climate, I want to know what your response is to those that seem to be just beating that drum, that it is always the War on Terror, that to focus on something else is weak on defense, is weak on our security. Can you just talk a little bit more about putting into perspective the issue of terrorism amongst all of the other long term strategies that we need to deal with in terms of good, solid foreign policy?

What would you say to those on both sides of the aisle, marching down to the Presidential thing, trying to out-tough one another by focusing only on the so-called War on Terror and not broadening it out as you recommend?

Mr. ARMITAGE. Well, I would start with the obvious, that a Nation as great as ours ought to be able to do two or more things at once.

Second, that this single focus on the Global War on Terror, to a large extent in my view, is taking our gaze off where our long term national equities are, for instance, the whole center of gravity of the world is moving to Asia. Whether you look in terms of size of population, size of military, size of GDPs, everything, it is shifting to Asia. Whether we are able to take advantage of that shift is a real question because we are spending all our time on the central organizing principle of the War on Terror.

I am not arguing, none of us on this Commission would argue that terrorism isn't a real and, as I said, a growing threat. But absent of WMD, it is not an existential threat.

It is not like fascism was in the thirties and forties. It wasn't like communism was throughout the cold war. This is a different phenomenon, and we ought to be able to do two things at once.

Mr. TIERNEY. Thank you.

Mr. NYE. I agree with that, and I don't think that one should read the Commission recommendation here as saying we should let down our vigilance in the struggle against terrorism.

What we have seen over the 20th century is that terrorist movements generally tend to last a generation. We are not done with this.

What we have also seen is that they burn themselves out over time if you don't overreact to them. Terrorism is a little bit like jujitsu. You have a weak player who only defeats a large player by using the strength of the large player against himself.

So what we do to ourselves is often more important than what they do to us directly, and that means that we have to be very careful how we react. For example, if we, after a 9/11, cut out visas for foreign students, we are serving their interests, not ours.

Terrorism is about fear, about their gaining attention. To the extent which we give that attention, they gain, not we.

If we also think of the fact that the words, War on Terrorism, as a narrative have been interpreted in much of the world as war

against Islam, that is clearly not our intent, but that may be the effect as public opinion polls show.

So what we are arguing in the Commission report is not to let down our guard one iota in a struggle, a generation-long struggle against terrorism but to be more careful in our narrative in presenting to the world a much broader picture which is what we are recommending in the Commission report and not just a short run slogan.

Mr. TIERNEY. Thank you.

I was looking at some of the language in your report, and I thought it was well done: Power is the ability to influence the behavior of others to get a desired outcome. Soft power is the ability to attract people to or side without coercion.

Legitimacy is central to soft power and, if America's objectives are believed to be legitimate, we are more likely to persuade people to our view.

Victory depends on attracting foreign populations to our side and helping them build capable demographic states.

I thought that was a good choice of words, populations not foreign governments necessarily.

Can you discuss those concepts in the context of the U.S. role in what is going on in Pakistan today?

Mr. ARMITAGE. Well, I was asked a similar question earlier at lunch today, Mr. Chairman. It was if we had all these recommendations of smart power in place today, would Pakistan be in this position? Well, my answer was if we had all these recommendations in place in, oh, say 1990, we may be in much better position in Pakistan.

The reason I say that is one of the things we are wrestling with now is the fact we have a gap of about 10 or maybe 12 years of no interaction with Pakistan military officers and no meaningful interaction with government figures. So we have really cut ourselves out of the game for a while. So the people are going to be sort of pivotal in the next few years in Pakistan, we have no knowledge of.

So I would argue that smart power is something that only can be judged over a significant period of time. It can't solely be judged by opinion polls and how much affection the United States is held in.

It is somewhat like what Joe Henley famously responded to when asked was the French Revolution successful, and he said it is too soon to tell. That is kind of a smart power. For 1, 2, 3 years, it is going to be soon to tell.

Mr. TIERNEY. I guess part of my point was we have a situation over there now where the middle class, the lawyers, the judges, the business people or whatever seem to be on one side of the fence and the military establishment on the other. I would guess that we have to be real careful about whether or not we side with the people of Pakistan or are perceived to be siding with or against them on this, and it is going to be a real delicate use of smart power in that situation.

Mr. ARMITAGE. I think the question of Pakistan is so complicated that you are right. People seem to be on one side and the military, and I would say the elites on the side with President Musharraf.

The question then is what happens with our involvement in this?

Do we actually add to the situation in a positive way by publicly being seen as promoting Ms. Bhutto? I think opinion polls in Pakistan would say, no, we have actually had the reverse phenomenon. We have actually hurt her. So she is seen, to some extent, as an American girl.

Mr. TIERNEY. Well, if we supported just her and not supported the democratic process and let it go wherever it goes.

Mr. ARMITAGE. And you will notice our Ambassador today made a very graphic point of going with a CBS camera crew to the electoral commission to make the point we want elections, democratic, open and fair.

Mr. TIERNEY. Thank you. We have been after him to make that statement months and months and months ago. Today is as good as any day, I guess.

Mr. Platts.

Mr. PLATTS. Thank you, Mr. Chairman. I appreciate your and the ranking member's hosting the hearing and, to both of our witnesses, thank you for your many years of dedicated service to our Nation including with this Commission.

Actually, the chairman touched the first issue I wanted to raise which is trying to apply the principles espoused in the report to the current environment in both Pakistan and Afghanistan are kind of interrelated. Mainly, I think one of the very important points you make is when we talk about soft power, that legitimacy is critical to being able to invoke soft power, be successful.

In Afghanistan, one of the issues, having just returned with my colleague, Steve Lynch from Massachusetts, a couple months back, the drug trade in Afghanistan is a huge problem. From individuals serving there, both military and civilian, that I have met with there or here, our legitimacy within the populace of Afghanistan is diminished because of the drug issue. We are saying what we want in hope that President Karzai will do, but we are standing by while nothing happens.

In a similar issue in Pakistan where we are working with President Musharraf while he is cracking down now, as the chairman referenced, throwing others and lawyers in jail. Both of those issues, to me, seem to undercut our legitimacy to build relationships with the people of those nations to then be with us in the War on Terror.

That would be the first question, and then I have a followup. So, thank you.

Mr. ARMITAGE. Thank you, sir.

I think the two are somewhat different. Legitimacy in Afghanistan, I think was certainly there immediately following our invasion. Certainly, the hopes were high, and there wasn't any question about the speed and the agility of the U.S. forces to bring about a change of a hated regime.

Where we have begun to be questioned is whether we are competent enough to actually follow through on this, and that is where, in Afghanistan, I believe our legitimacy begins to be questioned.

On Pakistan, I think it is slightly different. It is quite clear. I personally have a high regard for President Musharraf and what he has done, what he has personally suffered and, by the way,

what his country has suffered in the federally administered tribal areas of 800 or so killed, now 300 soldiers captured and missing. So he has sacrificed a good bit.

Having said that, however, if he is not able and we are not able to make him live up to the word he gave us, then we have to hammer him, I am afraid.

Now I think there are two ways to do it. You can just stand up and make a declaratory policy or you can say you think he is wrong, he has made a bad error and we wish, as a friend, he would correct that error. I think that is the way to handle this initially.

The accusation will be is that we are weak and sort of a little weasel-worded. The stakes are too high in Pakistan for all of us, I think, to be too declaratory at this early a stage.

He has moved a bit back to, as I understand, having elections in January, thank goodness. I think the next move is to get him to again say he will get out of uniform and start letting these folks out of jail and jail terrorists and extremists and not legitimate opposition.

Mr. NYE. I agree with what Rich said. On Afghanistan, the drug problem is a very severe problem. On the other hand, unless we do something on security first and economic opportunities other than drugs, we are not going to solve the drug problem.

I think the success in Afghanistan is going to be absolutely crucial. We are not only invested there in the terms of the legitimacy of why we went in, but we are invested there in the sense that we have our NATO alliance heavily involved.

It is crucial that we not lose that, and that is probably going to take more military force from the American side, but it is also going to take more resources to provide the economic developments and the components that we call soft power. That would be a smart strategy there.

On the Pakistan case, I agree with that as well, with what Rich said. I think we should be pressing very hard for General Musharraf to get out of uniform and to hold elections and, if not, I think we have to ask ourselves whether we need to reassess.

Mr. PLATTS. A quick followup, Dean, your answer about Afghanistan and the humanitarian or the non-military investment is my followup in the big picture, not just Afghanistan and Pakistan because to be able to do what the Commission recommends or the principles espoused, having our public support is critical.

How do we better get the American public to understand that investing in USAID projects, investing in humanitarian assistance, all the non-military assistance around the world is equally important to the military investment we make in protecting us?

In central Pennsylvania, I never have a problem with the vote for military. When I vote for foreign aid, the public at large doesn't yet understand the importance. Is there any suggestions how to better educate the public how they are directly connected?

Mr. NYE. I think it is a tough sell, as you know better than I, but on the other hand, the extent to which we can explain to the public that this is in our interest. In other words, for American security, we need to make sure that things are changing there.

Remember when the cold war was on, when the Russians were in Afghanistan, Afghanistan got a lot of attention, a lot of money. The Soviets withdraw. Afghanistan goes off our radar.

If you said to an American, why should I spend money on anything for aid in Afghanistan, the answer would have been it is too bad for the Afghans, what is going on there, but what difference does it make to us?

On 9/11, we found out that bad conditions in a poor country halfway around the world could make a huge difference to us. I think that is the kind of argument you need to make to show your constituents and our fellow citizens that it is in our interest as well as the interest of the others to do something about this.

Mr. ARMITAGE. Congressman, not having to stand, it is much easier for us to answer your question than perhaps for you and your colleagues, but I have always found it somewhat effective to be absolutely frank.

Dr. Nye and I aren't professional do-gooders. We are fellows who pride ourselves, to the extent we can, on being realists and people who practice sort of cold calculations of national security. I would argue that many of the elements of smart power that we talk about are not a matter of philanthropy. It is a matter of cold calculations of national security.

Now that is rather dramatic talk and dramatic, florid language to use, but I find that actually putting it in those terms, you get a different, slightly different reception. This is not a matter of sort of an airy-fairy, well, let's all feel good and sing Kumbaya. This is cold calculations of national security.

Mr. PLATTS. Thank you both.

Mr. Chairman, thanks for your discretion.

Mr. TIERNEY. Ms. McCollum, you are recognized for 5 minutes.

Ms. MCCOLLUM. Thank you, Mr. Chair.

One of the smart power recommendations that I would like to highlight and I also strongly endorse is the creation of the cabinet level Department of International Development to bring in integrated, coherent strategy and structure to our foreign assistance.

In light of what we have seen happen where there was very little oversight input from the Congress, I would like you gentlemen to elaborate on your recommendation why you think this is a smart use of power.

I would just add I think the VOA, Voice of America, and some of the programming that is being cut over there probably might not be looked at being cut if we had a cabinet level where we are looking at an integrated approach.

Mr. ARMITAGE. Thank you, Ms. McCollum.

I think it is a good recommendation if you don't take the point of view that Washington can solve the problems and a cabinet level office has to look like Homeland Security or one of these other organizations. In fact, I would say that our studies showed that the burden should be to push things out into the field.

So I would argue if this is not a large bureaucracy but it is an operational bureaucracy in Washington that pushes things out to the field, then it is an excellent idea.

Mr. NYE. I think what we concluded was that you needed in addition to these better integration devices in the field at the em-

bassy team level, you needed to have a voice around the Oval Office who could speak for development. The Secretary of State has a lot of things on her plate or his plate, and you need somebody who can also speak with authority about the importance of development issues.

We also felt or I felt rather—that is I think Rich and I feel, but it is not official in the Commission report—that the abolition of the U.S. Information Agency was a mistake, that its absorption into the State Department actually did not raise its capacity but lowered our capacity in public diplomacy.

In the Commission report, as you know, we didn't quite recommend the recreation of the USIA—some commissioners didn't want to go that far—but we did say that something should be done to raise the prominence of this public diplomacy function. So both the development voice and the public diplomacy voice need better representation at higher levels. There are still some differences in detail about exactly how that should be accomplished.

Mr. TIERNEY. Thank you, Ms. McCollum.

Mr. Turner, you are recognized for 5 minutes.

Mr. TURNER. Thank you so much. Mr. Chairman, thank you for having this hearing, and I also want to thank our two panel members for your efforts in bringing this report forward.

I think almost everybody, upon reading this report, will agree with the sort of sense that you have given of our current status, of where we are and the real importance of addressing it.

The how-to, I appreciate your recommendations and also some of the focus that you have given. I note you indicate there is no silver bullet. So, as we look at these, it is one of those hard to define areas as to how do we move forward and how do we know that we are being successful.

One of the things that is recognized in your report that I find is a conflict in our view of how we are perceived internationally is that you acknowledge that America is still viewed as the land of opportunity, that people still look to us as an opportunity for them, and you go on then to say that as the land of opportunity, that we must lead.

I want to tell you a story. I recently was in Poland, and I was talking to a woman about the time when Poland was free of communism and had begun to set a new course, and I asked her to speak about it and speak about how exciting that must have been to get their country back and freedom and what the future held.

She said, well, I didn't think about it much at the time. I thought about, well, now I can go to America.

I thought that was interesting because, here, I am asking her to speak of her own nationalism and of the opportunities, and her translation to freedom after all these years was and now I want to go to America.

How is it that we can be perceived so poorly but yet still be that symbol of people want to go to when they think of their own freedom?

Mr. NYE. Well, one of the interesting things about soft power's ability to attract is that it grows out of our culture, out of our values and out of our policies. When we ask people in public opinion

polls, why we have lost that attraction, it tends to be disagreement with our policies, not with our values and culture.

That is good news. Policies can change. Values and cultures don't. The fact that the United States still is seen as a land of opportunity, a land of openness means that a great deal of our soft power is produced by our civil society, not by the government.

The great danger is to make sure that in response to terrorist incidents or other such things, that we don't cut ourselves off from that value of openness, that openness of opportunity. Others can come here. Others can study here. This is the land of opportunity. That is attractive to others.

If we get ourselves into a mentality of cutting back, no visas, no immigrants, no trade, that would be this example of jujitsu that I mentioned in which the terrorists are using our strength against ourselves, and your Polish woman's example is a perfect case of that.

Mr. ARMITAGE. Congressman, I think that story makes me very proud and it is indicative of the fact, I think, that most nations, most, really want us to be what Ronald Reagan would say, that shining city on the hill.

But where the disappointment comes in is when our actions don't meet our words, and then we introduce the possibility that we are living a double standard, that we are two-faced, etc. That brings in the cynicism about us and our motives.

We are talking a lot about the low esteem in which we are held in some parts of the world. We ought to also recognize that in places like the African continent, we are not in that bad of shape throughout the continent and certainly in Asia we are in somewhat better shape. So this is a mixed picture.

I think we ought to look at what is going right in terms of public opinion in Asia and Africa and ask our questions of why. One of the reasons in Africa is very clearly the pep for initiatives on infectious diseases, HIV-AIDS. It is very well recognized although the President doesn't get much credit for it.

Mr. TURNER. China is another area—if I might, Mr. Chairman—if you could comment on it. You recognize in your report the rise of China's influence through using soft power and smart influence. Would you please comment on that for a moment?

Mr. NYE. Well, China has been very adept in combining the rise of its hard power seen in its economy and military investments with soft power which is in diplomacy and investment in culture and efforts present a smiling face to the rest of the world.

That is a smart strategy. If you are a rising power, the last thing you want to do is create fear in other people to ally against you. You want to combine soft power with your hard power as a smart power. China, as they said at their own 17th Party Congress a week or so ago, China realizes that soft power is in its interest.

Mr. TURNER. Thank you, Mr. Chairman.

Mr. TIERNEY. Thank you.

We have four votes that are coming up. The first one is a 15-minute vote. The subsequent ones are 5 minutes. We are going to run up as close as we can to the line. We promise to keep our word and have you gentlemen both out of here well before 4 p.m.

So we will run down and we will vote. It may take 25–30 minutes and then come back if we can.

Mr. Higgins, you are recognized for 5 minutes.

Mr. HIGGINS. Thank you, Mr. Chairman.

Mr. Armitage, you had said the military has to be reset, which got me thinking. On a recent trip to Afghanistan and Pakistan with Congressman Lynch and Platts, the one hopeful sign was the attitude of the American military. In the most difficult places along the Pakistan-Afghanistan border, it was the military folks who were emphasizing that this was equal parts. Their mission is equal parts, military and equal parts, humanitarian.

What we had observed was the medics, for example, doing surgery on a young boy whose fingers were fused together. This is what they did in addition to treating injured soldiers which was promoting good will amongst the folks in these very remote Afghan villages.

So my question is resetting the military, is it an integration of humanitarian work within the military or is it a greater emphasis on humanitarian work as separate and distinct from the military operation?

Mr. ARMITAGE. First of all, there is no question, Congressman Higgins, that the military can and does participate in soft power activities. You mentioned one on the Afghan-Pakistan border. There are many, well, the tsunami relief in Indonesia, an application of soft power that dramatically changed the view of Indonesia citizenry toward the United States.

But I think there is a danger for all of us, and there is certainly a danger for our servicemen. We are calling on our service people time and time again to do things. Sometimes they are things they train for, and humanitarian assistance is one of the missions. We participated in it back in Vietnam.

But if we call on them time and time again because they are organized and they are used to making chicken salad out of you know what, we run the risk of having the other elements of our great bureaucracy become more and more incompetent to do a job that they should be paid to do.

We are arguing that the military will do splendidly and will perform splendidly in any mission you give them. We want other elements of our bureaucracy to perform equally splendidly alongside and integrated with them in a strategic way.

Mr. NYE. I would agree with what Rich just said. The military can contribute a great deal to our soft power. If you look at the role that the Navy is now playing. It is interesting how they are contributing in this way, but they also have to be able to have the capacity to do their military job.

Sometimes, because they are a well functioning bureaucracy in comparative terms, we turn to them to do more than they should. The answer or remedy for that is to improve the capacities and resources for our civilian agencies.

Mr. HIGGINS. Let me give just a final thought on this. It seems as though perhaps what is needed in the post-9/11 era is the post-World War II American strategy which because of our great military and economic superiority, at the end of World War II, we had the world at our feet. As opposed to demonstrating arrogance, we

traveled the world and demonstrated not only military superiority, not only economic superiority but, more important than anything else, a generous spirit and created international organizations which would become forums of the jurisdictions within which international conflict would be resolved.

It just seems to me that the past 6 years have been a meandering and a trial and error type of policy that finds us in a very, very difficult situation relative to isolation. The United States is isolated.

So what can we do at this point, given everything that has been done over the past 6 years, to strengthen these international organizations toward the goal of creating a greater emphasis on smart strategic power?

Mr. NYE. You go ahead.

Mr. ARMITAGE. Well, there is no question in our report we want to have greater involvement in these international organizations and at a minimum, let's face it, every suggestion that comes from an IO is not one that we necessarily will agree with and we shouldn't in many cases.

But it seems, to me, incumbent upon us that when we don't agree to offer an alternative, and I think that goes a long way in the international community. You are part of the team. You just don't agree with some of the aspects that the coach is trying to put into the game plan. So you have alternatives. This is very much, I think, the way we should go.

There is a larger question, I think, sir, in your question. That is have we been searching around for our purpose in the world? Some might say that it is the Global War on Terror. That is why we are here, for this one event.

I, personally, think it is quite a bit more than that. I think that I don't know why we are the sole superpower, why providence has granted this, but I know what it means. It means that we have, as a Nation, interest in every part of the globe and nothing really substantial is really going to take part in any part of the globe unless we are somewhere involved.

Now I think we ought to have a national dialog. If that is the case, if you accept that definition of a superpower, what is our purpose in the world?

I think as we found out from what we called a dialog with America. We sent teams out from CSIS in four different States, and they went to universities and video shows and everything, just meeting with normal folks.

Much to our surprise, my surprise, folks were not isolationalists. I had always thought they were reluctant internationalists. They were not reluctant at all. They did not like to be held in low esteem. They wanted an America who was involved in the great activities of the day in a positive way, and this was a very uplifting development for me through the course of this.

Mr. TIERNEY. Thank you.

Mr. Shays, you are recognized for 5 minutes.

Mr. SHAYS. Thank you.

I am going to take Mr. Thornberry's time later and yield him time.

Mr. TIERNEY. Mr. Thornberry, 5 minutes.

Mr. THORNBERRY. Thank you, Mr. Chairman, for allowing me to be here.

I remember being down at that witness table in the spring of 2001, testifying about changing the structure of the government to better meet the threat posed by terrorism. This subcommittee has often been on the cutting edge of changes that were needed, and I appreciate its hearing here today.

That is really what I want to ask you all or invite you to address. This subcommittee involves government reform. Are we structured in a way to meet the challenges of the future?

Some people would say that it is a matter of personality. We are going to have a new administration. They are going to have new cabinet officers. They can make it work.

I would invite your all's view about whether it is personality or whether more structural reform, whether it is organizational or authorities, might be considered by this subcommittee.

Mr. ARMITAGE. Well, I think any amount of changing the line diagram would fail if you have incompetent people in major spots. So, to a large extent, personalities matter a lot.

Whenever, in our bureaucracy, there is talk about reform or changing the structure, there is lot of neuralgia. Goldwater-Nichols was the last one. I actually sat at this table and argued against it along with the chairman of the Joint Chiefs of Staff. So I know about sort of the bureaucratic encrustations that act against any movement.

We were talking earlier about 1947, President Truman's dramatic decision having the Department of Defense and the CIA. Did anyone like it at the time? Probably not too much, but it was necessary.

Our timing, as you know, Mr. Commissioner, of this report is rather deliberate. We are trying to get this issue involved in the Presidential debates. We are not naive. We are not ingenues. We know that this is not going to be in any way, shape or form accepted wholeheartedly by anyone, but if we can start this debate, then with pushes and shoves and whatnot from the committee, maybe we can get a little altitude on this thing.

Mr. NYE. Personality matters, but so do structures, and we are not structured now to use our full tool kit of power. We have the tools, but we don't know how to put them together. If we are going to have a serious strategy, it is going to require a much better integration of the tools that we have. So I would argue that, yes, we are going to need structural reforms.

Mr. THORNBERRY. I would yield back to Mr. Shays.

Mr. SHAYS. I am just going to ask one question and put it on the record and then when my turn comes up.

I am uneasy with this concept of terrorism as if it is some ethereal being. The 9/11 Commission was very clear: we are confronting Islamist terrorists who would do us harm.

I am going to be asking you why you just referred to it as terrorism in your conversation. I do agree with your basic point, that hard power plus soft power equals smart power, but I just don't understand how we are leaving out the word, Islamist.

Thank you, Mr. Chairman.

Mr. TIERNEY. Do you want to answer that?

Mr. SHAYS. No. We will get it later. I want to leave it.

Mr. TIERNEY. Gentlemen, if you will excuse us, then we will come back in about 15 to 20 minutes if we are lucky and get another 15 to 20 minutes and then let you go. Thank you.

[Recess.]

Mr. TIERNEY. I apologize to Dean Nye. At a later point, we had no idea that there was one procedural vote. We still have three votes that we haven't done yet. They are still on the first vote.

Mr. ARMITAGE. Well, how did it come out? Did we impeach or not?

Mr. TIERNEY. I also want to respect your time on this.

Mr. ARMITAGE. Not at all, sir.

Mr. TIERNEY. Mr. Shays had a question hanging in the air which you have now had all this time to get prepared for.

Mr. SHAYS. Thank you, Mr. Chairman.

The question was why do we call it terrorism when the 9/11 Commission unanimously said this isn't terrorism, it is Islamist terrorists and they have been targeting us for years?

Mr. ARMITAGE. I asked Joe why, I think, he used the term that you took issue with, and he said he blew it. It was inadvertent. The near term threat is al Qaeda which is Islamist and that is what we have to concentrate on.

I take issue with the word, terrorism. It is the only time in my recorded history when Mr. Rumsfeld and I were on the same side of the issue. Terrorism is a tactic, and so I would prefer the Islamist extremists right now and then there could be other extremists out in the future.

I mean the lesson that people learned, and there are some funny people out there, is it could be transported to other terrorist groups who don't happen to be Islamist, but you are exactly right. This is the present threat. This is a proper acknowledgment would be Islamist extremism or terrorists.

Mr. SHAYS. Well, you got me to think about the term, terrorists, to radicals or extremists because you say terrorism is basically a tactic threat.

Mr. ARMITAGE. Yes, I have just noted that we didn't have a war against kamikazes. It was a tactic. You don't have a war against snipers. It is a tactic, and that is what terrorism is, a tactic, in my view.

So it is a semantic thing and probably not even in important. It has just always occurred to me.

Mr. SHAYS. One of the things that I wrestle with is in the fifties I grew up where I began to understand that we had to confront the Soviet threat and we basically contain, react and mutually assure destruction, but the American people bought into that.

I don't have a sense that the American people have a sense of what the threat is and what our strategy is to deal with that threat, and I don't feel like we have debate about it in the public marketplace. I don't think our candidates talk about what our strategy needs to be, and it just surprises me that we haven't had that.

I will just make another point to you. I am struck by the fact that even the strategy to deal with the Communist threat got changed a bit after Sputnik. I felt it primarily was military in the

beginning, and then we said, my gosh, it is military, it is economic, it is technology. In the end, we probably beat them as much by technology and our economy as we did with our military might.

Mr. ARMITAGE. Indeed, I think we probably didn't get off to the right foot in the cold war, but you know we did apply smart power.

Let me give you an example. I was being facetious about the Joe Henley French Revolution comment, but one of the advisors to Gorbachev was a fellow by the name of Yakovlev. He is the fellow who came up with the term, perestroika.

Actually, back in the bad days of the cold war when we were tightly constraining the number of Soviet citizens who might come here, he actually studied at Columbia, and he studied under a professor who taught him about pluralism. Yakovlev went back to the then Soviet Union with an idea that pluralism could work, and 20 years later he was the advisor. So it took a while to realize that investment, but we realized that investment.

Mr. SHAYS. Well, let me just thank you for all your good work to our country and service for so many years. You have been an advisor to so many people, and I appreciate all your input whenever I have called on you. Thank you.

Mr. ARMITAGE. Thank you, sir.

Mr. TIERNEY. Thank you, Mr. Secretary. I am going to ask you just one brief question.

Mr. ARMITAGE. Yes, sir.

Mr. TIERNEY. We had Walter Isaacson testifying on an earlier panel, and one of the things he was talking about was the possible creation of new treaty alliances.

Mr. ARMITAGE. Proper which, sir? I have left one ear in Vietnam, so I am having a little trouble.

Mr. TIERNEY. I don't know which side to talk to.

He talked about creating some new treaty alliances, the possibility of that. Do you foresee any of that, rearranging some of the alliances that we have or staying within the existing ones moving forward?

Mr. ARMITAGE. I don't see rearranging our existing alliances. We do see new structures.

For instance, sir, we have a G8 structure which we well know we think we could add usefully five other members to that for certain items such as environment and things of that nature. We envision making more use of the G20 which together counts for about 80 percent of the gross domestic product of the world, about 80 percent of the carbon emissions. So there are new groupings that we can see, using some of the existing structures and expanding them.

Mr. TIERNEY. Mr. Secretary, is there anything you would like to comment on to leave us with today?

Mr. ARMITAGE. No. I very much appreciate your making the effort.

Mr. TIERNEY. Well, I appreciate you and Dean Nye coming forward today, and I appreciate the report and hard work of the entire Commission and the two of you gentlemen. I appreciate again, as Mr. Shays said, all your service to the country.

Mr. ARMITAGE. My pleasure, sir.

Mr. TIERNEY. Mr. Shays wants to add the last word.

Mr. SHAYS. I have just one last question. I don't want to get you in trouble if this isn't a question you want to answer. When I have gone to Iraq, I have been struck by the fact that had we had an embassy there, we would have known what a pathetic condition the economy was and so on. We just would have had people around.

I am just struck by the fact that we should have an embassy in North Korean, in Iran, in Cuba, and not have politics play a role in whether or not we have in place.

Mr. ARMITAGE. Well, back in 1991, when we still had an embassy there, we knew a lot. We didn't know, however, that Saddam Hussein was going to strike into Kuwait. So we will know some things and not others.

Your broader point, from my point of view, we ought to be talking to our enemies as much as we are talking to our friends, and we ought to have the courage of our own convictions and confidence in our abilities to sit at a table with these characters and not have our pockets picked. That has been lacking.

Mr. TIERNEY. Thank you very much, Mr. Secretary.

Mr. ARMITAGE. Mr. Chairman, Mr. Shays, thank you.

[Whereupon, at 3:50 p.m., the subcommittee was adjourned.]