

Network Diplomacy

Jamie Metz

CARNEGIE

GEORGETOWN JOURNAL OF INTERNATIONAL AFFAIRS WINTER/SPRING 2001.

Reprinted with permission from Georgetown Journal of International Affairs Winter/Spring 2001.

As the forces of globalization and the information revolution transform international relations, U.S. foreign policy institutions remain hunkered down in outmoded approaches and insular institutional cultures. Heavily subsidized, protected from competitive pressures, and guaranteed a market regardless of the quality of output, the U.S. foreign policy apparatus at times seems more like a Chinese state-run conglomerate than a player in a global revolution. Yet market realities challenge U.S. foreign policy institutions? non-competitive behavior on a daily basis. U.S. foreign policy institutions must either reform or face increasing irrelevance.

The 1947 National Security Act established the National Security Council, the Central Intelligence Agency, and the Department of Defense, laying the foundations for a national security structure that remains largely intact. This rigid command and control hierarchy, an offshoot of 1940s and 1950s organizational thinking, served the United States well during the Cold War years when issues, and therefore resources, could be prioritized clearly. Although government hierarchies are neither uniform nor monolithic and often compete to advance parochial institutional interests, the overall system was, and remains, insular.

Globalization and the information revolution are empowering decentralized networks that challenge state-centered hierarchies. These networks may be defined loosely as sets of interconnected individuals who occupy analogous positions in institutional or social structures and create new community relationships that build upon, democratize, and magnify existing social frameworks. Although networks have always existed, proliferating information and communications technologies are rapidly reducing the economic and physical barriers that once limited network expansion. These decentralized networks are not necessarily always inclusive, but they are ultimately self-optimizing?the more appropriate people they connect, the more useful and attractive the network becomes to others. Metcalf's law, named after Ethernet inventor Robert Metcalf, suggests that a network's value is the square of its members. Small network growth can therefore lead to exponential increases in effectiveness.

Networks distribute influence and power across traditional boundaries, allowing powerful interest groups to form and re-form rapidly. The network is flexible and agile, constantly able to reconfigure itself to address new challenges. It allows ideas to compete and confers a competitive advantage on those most able to share, trade, and receive the most relevant information. Networks lower the cost of collective action, making large and disparate groups better able to organize and influence events than ever before.

Because of these qualities, networks develop much faster than traditional hierarchies and place competitive stresses on traditional forms of organization. In the business world, competitive pressure has led to organizational revolution. In the government sector, it largely has not. Government foreign policy institutions must rethink their conceptual models, institutional cultures, operating procedures, and basic self-understanding in order to respond to this challenge.

Networks Trump Hierarchies. Although states still have tremendous advantages in the international arena, dynamic networks are complicating and chipping away at hierarchical state power. Networks of civil society organizations and second-tier states banded together to support an international ban on land mines in 1998. The network's vastness allowed these organizations to lobby governments around the world through a more effective, focused, and systematic publicity

campaign than that of the United States, which opposed the treaty. Similar groups leveraged their expertise and contacts in support of establishing the International Criminal Court, even representing some smaller states in multilateral consultations.

Dynamic networks have democratized access to power, reducing many of the advantages previously enjoyed only by states, the largest corporations such as IBM, and large non-governmental organizations (NGOs) like the Catholic Church and the International Red Cross. Although transnational movements like Zionism and the anti-slavery movement have existed for at least two centuries, advances in information technology have made coalition-building much faster and easier. In the new environment, power comes not only from the ability to field armies, but also from the capacity to coordinate diffuse actors. While states and other large actors once had a virtual monopoly on mass communications tools, any individual now has the power to communicate via the Internet with an almost unlimited number of potential collaborators. Spies and embassy officials who once had advantages in collecting and analyzing relevant information about foreign affairs are now often overwhelmed by the information gathered by civil society groups, investment banks, journalists, and corporations. Their reporting can be more timely, accurate, insightful, and useful than that of state actors. In short, the information revolution has reduced the transaction costs of communication and further democratized access to information and knowledge, the key assets of power.

Governments have not yet come to fully appreciate the redistribution of power resulting from the rise of networks. U.S. State Department officials may look gleefully at other foreign ministries and note that the United States is far ahead of its perceived counterparts in responding to globalization and the information revolution. These officials, however, do not recognize that competition is not coming from other states, but from other forms of organization altogether. As power today is as much about promoting ideas and norms of behavior as it is about projecting military might, the real struggle consists of projecting values, promoting interests, and ultimately setting the global agenda. Governments, corporations, and global constituencies of civil society organizations all demand some level of influence in the international arena. If any one of these entities is less able to project its voice because of institutional limitations, then the values and interests of that entity will suffer. If, for example, governments and civil society organizations are not capable of making the best case for addressing global poverty or mass human rights violations, global corporations are unlikely to address these challenges on their own.

The competition between these entities is not zero-sum, but neither is it benign. Those organizations that best respond to new realities will be most able to advance their interests globally. In this competition, government foreign policy institutions face the same competitive pressures as all other entities competing for relevance and voice in the same space.

But while government foreign policy institutions face competitive pressures similar to those confronting business and civil society organizations, government institutions are also fundamentally different from those organizations. The vertical accountability and centralized processes of government institutions make it possible to hold government officials responsible for their decisions and actions. Such accountability is present to a lesser extent in corporations and civil society organizations, since accountability decreases in a distributed network.

Since networks are able to bring together much broader communities to flexibly address problems in ways that hierarchies often cannot, networks will make the non-competitive components of traditional hierarchies seem increasingly inefficient, ineffective, and ultimately irrelevant. As this occurs, rather than abandoning democratic accountability altogether, governments must instead explore which of their functions can and must be transformed. If governments must behave more like networks but cannot fully participate in them at every level, they need to determine what aspects of government foreign policy activity can be better networked.

A state's foreign policy system can be broken into a number of discrete activities ranging from collecting data and processing it as intelligence to formulating, communicating, and implementing policies. Those functions that require the highest levels of accountability, particularly the decision-making functions, should retain hierarchical structures. There is no reason, however, that the dictates of accountable decision-making should equally control intelligence, institutional learning, and communications functions, all of which would benefit enormously from a more networked model. By

disaggregating the state foreign policy function into its component parts, it is possible to identify where greater integration into networks is feasible and desirable, and where the hierarchical structures of accountability can and should remain intact.

A Network Model. In many ways, governments have always been networks. Embassies across the globe interact with local leaders and populations and report conditions back to capitals and to other embassies. Yet, while these networks once made government foreign policy officials more informed than their outside counterparts, they now often make them less so. The most effective non-governmental networks are broader, deeper, and more crosscutting than government information networks. Governments must expand their thinking to embrace these external networks. Because the conceptual space of a network is global and does not fully respect traditional boundaries, preparing individuals to engage in this space requires both conceptual and organizational change.

One preliminary element of this transformation is language. The very term "foreign policy" attempts to differentiate between "domestic" and "foreign" in ways that make less sense in a globalized network environment. In this environment, domestic activities have international implications, and participation in a network may be unchanged whether people are ten feet or ten thousand miles apart. U.S. domestic policies on issues such as telecommunications regulation, agriculture, pharmaceuticals, drug enforcement, crime, and taxation have major impacts abroad. Recognizing this, nearly every U.S. domestic specialized agency now maintains an overseas presence. Foreign policy is not foreign. It is global?both domestic and foreign simultaneously.

"Foreign policy" also suggests that the state is in a position to make decisions and then translate those decisions into coherent "policy." While this is the case in some discreet areas, this term does not convey the fact that a state's foreign policy is only one part of a broader "global engagement" between societies. In this context, states, along with sub-state actors, corporations, civil society organizations, business associations, labor unions, religious communities, criminal organizations, and individuals, interact and cooperate on a daily basis.

The popular terms "NGO" and "non-state actor" also miss the point of distributed capabilities. Governments once defined the space of global interaction, and other entities were defined by being outside of government. Today, however, this negative nomenclature does not recognize that corporations, civil society groups, and even individuals now share the stage and help set the global agenda. Governments and large corporations are more easily recognizable as global actors. Although alliances of civil society organizations and individuals are often temporary and issue-oriented, these entities are just as meaningful, as they, too, represent pooled global constituencies.

A shift in conceptual models must also be accompanied by new relationships among government foreign policy actors, as well as between these actors and global constituencies. Governments need to nurture their own internal networks and link them to broader networks outside of government. The U.S. government, for example, has tremendous capabilities that are hugely underutilized due to bureaucratic isolation. Although committed government officials amass a great deal of useful information in a multitude of areas, the inadequacy of knowledge-sharing and -management systems does not facilitate the exchange of information across agencies and hierarchies.

Building a networked inter-agency communications model requires a comprehensive assessment of government agencies' skills and capabilities, the results of which will be stored in a database shared by all government employees. Best practices for all types of government functions should be catalogued and downloaded electronically. The management consulting firm McKinsey and Company, for example, maintains a Knowledge Resource Directory (KRD) that lists experts around the world by region and function. All McKinsey employees are expected to provide work-relevant knowledge to the directory and to answer queries from colleagues within twenty-four hours. Similarly, a United States Agency for International Development (USAID) employee dealing with famine in Africa should be able to identify with a few clicks those individuals in all areas of government with relevant expertise on the social, economic, political, historical, and developmental aspects of the issue. A diplomat seeking to have policies explained to Arab populations on an Arabic satellite television network should be able to identify easily all government employees speaking fluent Arabic. Currently, no such system exists.

Developing these electronic capabilities requires enhancing computer systems, making them compatible between agencies, and training individuals to use them. It also requires changing the institutional culture to reward outreach across agency lines, not just up the most immediate, narrow chain of command. Similar to what was dictated for the United States military by the 1986 Goldwater-Nichols Act, advancement in any government agency should require a period of service in other agencies.

Although enhancing intra-governmental coordination will take foreign policy institutions part of the way, establishing appropriate networked links outside of government will be truly critical to effectiveness and relevance. The primary impediment to this type of engagement is the culture of insularity and secrecy that pervades U.S. foreign policy institutions. This focus on secrecy developed in response to the competitive pressures of the nuclear arms race and the Cold War, but it has now far exceeded rational bounds. Protecting a widening sphere of so-called secrets and punishing those who compromise them creates a culture of insularity and fear, in which the risks of venturing outside the safety of existing hierarchies often outweighs the perceived benefits. This isolation creates a system less capable of identifying and coping with ignorance. For instance, although the CIA and the State Department have relatively small numbers of agents and political officers in Africa, the valuable inputs of civil society organizations on the ground are not adequately brought into the policy process. Government employees may once have been able to get by without being connected to these outside networks, but this is no longer the case.

While government decision-makers must know the origins of the information upon which they are basing their decisions, accountability should not be purchased at the cost of ignorance. Instead, an appropriate balance must be established between engaging the broad networks that contain enormous amounts of critical information and developing and maintaining information collection and verification capabilities that can assess the accuracy of information received.

Network engagement is a two-way process. Network members must share information in order to receive it. To participate, governments must determine what information is in severe need of classification and liberally share much of the rest. This type of sharing can lead to innovative partnerships with new actors. Governments, corporations, and civil society groups can come together in creative ways as the need arises. As with interagency coordination, this type of outreach to those outside of government should be highly incentivized.

Participating in such networks will force dramatic change in government culture and organization. The global market punishes inefficient firms, exposing them to more focused competitors that can better perform any part of the larger organization's function. Large firms that once towered over their smaller competitors are today in a permanent state of change, attempting to concentrate on what they do best and seeking to subcontract all else because performing any task less than optimally creates competitive vulnerabilities.

Similarly, a disaggregated view of foreign policy suggests that government institutions must focus on the aspects of global engagement where they provide the most value added, and look for alternate mechanisms to accomplish other tasks. If, for example, the State Department provides the most value added in analysis, planning, and coordination, the Department should focus its energies on these essential functions and rely on others for administration, data collection, and implementation aspects.

While the market punishes entities for sub-optimal behavior, it provides asymmetrical rewards for doing something better than anyone else. Once Silicon Valley established itself as the leading center for electronic network innovation, it attracted those groups that sought benefits from this hub of expertise, making it even more essential to those that would follow. While the State Department might feel that it loses power by giving up control in certain areas, it may be the case that a more focused department could gain power and influence by doing a few things extremely well rather than all things adequately or poorly.

Of course, governments may perceive a need to maintain core competencies in a range of areas to be ready for unseen future contingencies when that particular expertise may be required. By this logic, governments have to maintain the ability to address problems in general, even if all government expertise and capabilities are not brought to bear on each individual problem. In addition, government experts within issue areas often focus on overlapping but distinct aspects of a

shared concern. Redundant bureaucracy is, in this model, the government's investment in future stability.

In the field of global engagement, governments do not need to control every aspect of policy development and implementation. They can focus on the areas of highest value added and pool or subcontract much of the rest. For example, government agencies might pool expertise in administration, intelligence, and other functions. (The State Department now maintains separate administrative offices for each of its bureaus.) Government institutions could then establish a "bullpen" of reliable experts both inside and outside the government who could be called upon to provide services. The small number of Indonesia experts within the government, for example, could be hugely complemented by developing relationships and setting up contracts with hundreds of experts on all aspects of Indonesian society in academic institutions, civil society groups, and other governments. Various configurations of these experts could be called upon as needed. Government employees might work with virtual teams of non-governmental experts to develop thoughtful analyses of long-term global challenges. The government could set standards for the type and quality of information and services provided and create incentives for others to participate. For many such individuals and groups, the promise of working together to achieve shared goals would be a sufficient reward.

X Understanding control as the ability to influence values and standards in a decentralized system, not as the need to maintain absolute authority over every component of the policy process, will pose a fundamental challenge to governments. The networked global environment of the information revolution, however, not only distributes control, but also punishes those who attempt to hoard information and rewards those who share it. In the Information Age, you have to give up control in order to get it back, but it returns in a different form. Old control was about hierarchy, monopoly, and aggregation. New control is about flexibility, decentralization, and networked specialization.

A more networked government foreign policy structure, however, would still need to allow flexible networks to feed inputs into the decision-making process so that accountable officials could make decisions based on networked information that brings together a wide array of perspectives and expertise. Coordinated planning and budgeting processes could then encourage various government agencies, all connected to their own networks and to each other at every level, to come together to identify future challenges and coordinate responses.

Networked Intelligence? The intelligence community may serve as an example for integrating a network model into an existing command hierarchy. In the current U.S. system, the Central Intelligence Agency (CIA) collects its own information and brings together reporting from other agencies with open source materials to produce intelligence reports distributed to key leaders. The Defense Department and, to a lesser extent, the State Department also maintain highly developed intelligence agencies that collect and analyze their own information. This centralized intelligence function was appropriate during the Cold War years, when the highest priority intelligence requirements, such as accurate information on Soviet troop deployments and nuclear weapons capabilities, were constant and predictable.

In today's world, however, the range of potential threats is limitless—environmental, political, and economic issues take an array of forms in any number of regions, and the issues are often trans-functional and transnational, cutting across traditional conceptual models and boundaries. Although the old priorities no longer make sense, it is not possible for an intelligence agency to have the resources or maintain the expertise to respond to all of these potential problems. The only way to even begin to lay the conceptual groundwork for coordinated responses to these problems is to reach out to a broad range of individuals and institutions both inside and outside of government to create a network.

A networked approach to intelligence would then seek to identify who within the government might serve as primary nodes in an information-sharing network. These network participants would need not only first-hand knowledge of the given subject area, but also the trust of other members of the network. For information regarding humanitarian conditions in the developing world, for example, USAID could become the lead gatherer of information, leveraging its close work with civil society organizations on the ground to do so. Information, however, would only be made available to USAID if it could establish that it wished to utilize the information exclusively for humanitarian purposes. Moreover, USAID would have to become a full, sharing member of the newly established network by providing relevant U.S. government information such as satellite imagery and political reporting back to other network members. The Treasury Department

might play a similar role with regard to economic and financial information, and the State Department with respect to political information. The credibility of these organizations, however, would be fatally undermined if their actions were seen as a front for CIA operations. To address this problem, a transparent Civilian Information Coordination Group could be formed to pull together the information from these networks.

Public Diplomats. Public diplomacy, the dialogue between governments and foreign populations, is also ideally suited to a network orientation. Once championed by the now-defunct U.S. Information Agency (USIA), public diplomacy has sought to explain U.S. government activities to foreign populations and to carry out polling and media analysis to educate U.S. decision-makers about foreign attitudes and opinions. USIA also administered critical people-to-people and cultural exchanges. This type of broad engagement between societies is more important now than ever before because it builds the human relationships and cross-cultural understanding that are the key component of networks.

Governments have increasingly recognized the importance of reaching out to foreign populations. The network model, however, takes this one step further. It is no longer sufficient for governments to develop relationships with NGOs. Governments now have an overwhelming interest in facilitating contacts between such groups. Enhanced transnational civil society and issue networks may challenge government authority in some cases, but more often they can serve as invaluable tools for sharing information, developing mutual understanding, and solving problems. Helping to build the infrastructure for these networks should, therefore, become a much higher government priority.

As the world's leader in developing electronic infrastructure, the United States must recognize the tremendous value of extending network infrastructure beyond the current limits of commercial viability to the world's poorest communities. Helping poor communities find their voices allows them to engage in dialogue about the best ways of solving their problems. This, in turn, helps address the global problems of underdevelopment and environmental degradation that, in today's world, are a much greater threat to U.S. interests than, for instance, Russian troop movements. As perceptions of U.S. hegemony will undermine these networks if they are perceived as tools of even greater U.S. influence, efforts must be made to actively promote global diversity and indigenous Internet content.

Open dialogue and the sharing of ideas should be goals in themselves. The United States must support and facilitate such dialogue, even when it is critical of the United States. Providing a neutral platform even for critics of U.S. policies will be difficult to justify on traditional national security grounds. By giving up that control and countering perceptions of hegemonic aims, however, the United States will benefit from increasingly coordinated, inclusive networked action to address some of its and the world's most difficult challenges.

And Miles to Go before We Sleep. Institutional cultures and legacies do not change overnight, and it is important to recognize that making the shift from hierarchical to networked diplomacy is more difficult for government institutions than it was for IBM. On the one hand, government institutions can attract employees because they offer meaningful work and because lifetime employment guarantees compensate for lower wages. On the other hand, the entitlement system that governs many federal jobs makes finding new people with new types of skills and firing people with skill sets no longer relevant all the more difficult. Conversely, the short tenure of political leadership in all non-military agencies also fails to nurture powerful long-term constituencies for institutional change. The distribution of budgets for global engagement agencies across multiple congressional committees hardly facilitates coordinated budgeting and planning. Finally, the under-funding of these agencies severely hampers even critical changes like upgrading computer systems to allow personnel to interact with counterparts in other agencies and outside of government. More attention must be given to the funding issue if substantial progress in networking is to be made.

Despite these challenges, however, much can be done to better embrace a networked global environment. First, because network diplomacy is by definition broader-based than traditional diplomacy, efforts must be made to identify and reach out to a broader constituency than ever before. Diplomats must hold public meetings both at home and abroad to share ideas and build support for proposed action. Participants in these meetings should then be connected in global electronic dialogue groups to inform follow-on action. Input from these meetings and follow-on dialogues should contribute to a more transparent policy development process.

X Second, conscious efforts must be made to shift government institutional culture from a focus on secrecy, information hoarding, and hierarchy to a system of openness, innovation, and information sharing. This can be done by creating incentives and rewards for broader outreach, building technology networks that facilitate information exchanges between agencies and those outside of government, creating programs for government employees to be seconded to corporations and NGOs, and establishing centers of innovation within government. Governments should bring in new people from other sectors at all levels for flexible periods of time and encourage these new employees to maintain and develop their connections with former colleagues.

Third, knowledge management should become a central focus of government operations. Individuals should be required to input project summaries and lessons into shareable databases, and knowledge-management training should be made a priority at all levels. Knowledge-management and institutional learning must become not only a responsibility, but also a culture.

Fourth, leaders of government institutions must be recognized and rewarded not only for responding to short-term crises but also for their contributions to the long-term health and effectiveness of their organizations. Management must be central to any government leader's job description, and private sector managers should be brought in where appropriate. As in all institutions, leaders must put forward a vision of change and then create new behavioral standards and norms that realize this vision.

Certainly, the case for governments is not entirely bleak. There are a number of information-sharing initiatives within the government. Pockets of excellence and superb individuals can be found in many places. USAID's Office of Transition Initiatives, for example, has used its freedom from USAID's budgetary and bureaucratic controls to do extremely innovative work in post-conflict countries. The CIA has begun building chat sites linking its analysts with pools of private sector experts. These initiatives, while an important first step, exist in spite of the bureaucracy, not because of it. These exceptions must become the norm. Although networks are not a panacea and there is still an important role for hierarchical accountability, reaching out in new ways to new actors is not a quixotic option, but an urgent need that recognizes that governments can no longer achieve their goals alone.

X Governments play a crucial role in addressing some of the planet's most critical issues, from environmental protection to setting human rights standards to allocating resources and nurturing human development and individual security. Although entities other than states are now more central than ever before in most of these areas, governments must fully engage in a global dialogue that allows different groups to work together to fashion the most appropriate responses to short-term crises and long-term challenges. If governments fail to internalize globalization's lessons, their ability to promote broad-based values and engage in this dialogue will diminish relative to other actors. Governments must change the way they do business to make their best voices heard in a networked world.

© 2001 Edmund A. Walsh School of Foreign Service, Georgetown University.

Source: www.carnegieendowment.org/publications/index.cfm?fa=view&id=681

© 2009 Carnegie Endowment for International Peace