

International Challenges for the 21st Century

The United States faces rising challenges and threats to its national and economic security. These threats include terrorism, regional conflicts, and global instability sparked by growing gaps between the “haves” and “have nots,” as well as by corruption, ethnic hatred, and disease. At the same time, the world grows increasingly interconnected through more open markets, rapidly developing technology, and efficient transportation systems.

In this environment, advancing and protecting U.S. international interests requires the use of all available instruments of power—military, diplomatic, and economic. The United States has periodically employed its armed forces and civilian agencies, often in conjunction with U.S. allies and the international community, to address various threats to regional and international peace and stability. The United States also maintains a vast network of embassies and consulates at about 260 locations around the world, staffed by about 60,000 U.S. and foreign national employees, to carry out foreign policy and public diplomacy programs. In addition, the United States seeks to advance its interests by participating in a wide variety of multilateral organizations. While trying to anticipate and address emerging threats, the U.S. government also seeks to promote foreign policy goals, national and economic security objectives, sound trade policies, and other strategies to advance the interests of the United States and its trading partners and allies. The 21st century will bring increased challenges in balancing security concerns with the desire to maintain strong economic and cultural ties essential to domestic well being.

The following challenges and illustrative questions provide a framework for thinking about these issues in the future.

The continuing proliferation of biological, chemical, and nuclear weapons and delivery systems poses serious threats to the security of the United States and its allies. The increasing likelihood that a rogue regime or terrorists will attempt to threaten or attack the United States or its allies with weapons of mass destruction (WMD) will challenge the U.S. nonproliferation and counterproliferation efforts and preparations for the consequences of WMD use. For example, the great majority of Russian chemical weapons remain vulnerable to theft or diversion by terrorists or rogue states.

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▶ *Do U.S. efforts to reduce or prepare for such WMD threats need to be reexamined? For example, does U.S. nonproliferation assistance, currently provided almost exclusively to Russia, need to be extended to other countries, such as Libya, that have WMD assets that must be eliminated or secured? What U.S. and international responses are needed to better deal with the increased security threats posed by rogue states and terrorists seeking to acquire and use WMD? How can the United States better work with our allies and others to prevent the spread of WMD?*

Protecting U.S. strategic interests in the face of new tests has presented challenges for alliances established decades ago. For example, serious disagreement with North Atlantic Treaty Organization (NATO) allies France and Germany over U.S. policy in Iraq exposed fundamental differences over how the alliance should respond to security threats. Conflict interventions to make or keep peace, stabilize failed states, and end terrorist regimes have dominated U.S. foreign policy actions in recent years. Such interventions will likely continue to play a prominent role in efforts to stabilize regions where U.S. interests are undermined or threatened.

▶ *Do we need to reexamine the U.S. force structure used for nation building and peacekeeping activities by the United Nations, NATO, and other international institutions? Should the United States have a separate force devoted to such functions? What role should the United Nations, NATO, and other international institutions perform in connection with such functions?*

Increasing global interdependency and shifting trade patterns create a range of challenges for policymakers. The high level of U.S. trade deficits, rapid increases in imports from nations such as China, and the increase in services trade have led to questions about the best way to ensure that trade is fair and contributes to the well-being of the American people. To date, new trade concerns, such as offshoring of high-tech services and currency interventions, have generally not been dealt with directly by traditional U.S. trade policy tools, such as trade agreements, and will challenge policymakers to develop new strategies for dealing with them. Moreover, the globalization of economic activity is bringing an increasing share of the U.S. economy under the domain of international agreements.

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Economic activity historically viewed as isolated from international trade agreements, such as local government procurement practices, may come under the scrutiny of other parties to the trade agreements, and increasingly be subject to their enforcement machinery.

▶ *Does the U.S. portfolio of international trade policy tools, such as its heavy reliance on industry-specific trade agreements, need to be reexamined for its effectiveness and relevance in addressing new trade concerns such as offshoring and currency interventions?*

▶ *What types of policy commitments and programs, such as agricultural subsidies and import restrictions on textiles, may need to be reexamined for their consistency with broader international trade goals?*

Although the United States' commitment to foreign aid has spanned more than half a century, questions persist about the effectiveness of bilateral U.S. aid to developing countries and multilateral aid provided by international financial institutions. The United States recently established a new foreign assistance program, the Millennium Challenge Account (MCA), to function alongside the U.S. Agency for International Development. MCA's goal is to reduce global poverty through economic growth in countries that govern justly, invest in their people, and encourage economic freedom. However, like other foreign assistance efforts, MCA will face challenges such as inconsistent political will, ineffective donor coordination, and limited capacity of recipient nations to absorb donor resources. Moreover, few, if any, countries that have received bilateral aid have significantly reduced poverty, and rapid advances in technology have caused poorer countries to fall further behind. Regarding multilateral aid, the World Bank and International Monetary Fund (IMF) did not prevent or quickly resolve the recent financial crisis in Argentina, although Argentina had implemented reform programs funded by those institutions since at least the early 1990s. Similarly, despite 9 years of ongoing efforts by the World Bank and IMF, the debt problems of the poorest nations will likely continue for decades.

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▶ *Should the United States reevaluate its approach to reducing world poverty? For example, what role should continued bilateral U.S. aid or support of loans and grants through multilateral agencies play? Should certain existing multilateral development loans be forgiven? Are international financial institutions structured to achieve the long-term financial health and stability of the countries they seek to help?*

U.S. embassies and consulates are on the front lines, conducting diplomatic activities and operating programs that are critical to achieving a wide range of foreign policy interests. In addition to interacting with foreign governments, embassies and consulates conduct public diplomacy, promote trade, screen visa applicants wishing to visit the United States, assist American citizens overseas, and play a key role in fostering military alliances and providing military and economic aid. Security priorities after 9/11 have further complicated their mission. The demands placed on embassies and consulates by a rapidly changing world challenge their existing ways of organizing themselves and matching their resources and skills to meet those demands. While there have been attempts to review how overseas resource allocations are made, the rapidly changing world prompts the need to continually reexamine mission priorities to determine the “who, where, and when,” as well as the mix of U.S. government and nongovernmental personnel that should be overseas. Concerns over security for staff assigned overseas and fiscal pressures will also prompt the consideration of alternative ways of doing business overseas, such as streamlining or outsourcing functions and performing functions from the United States or other remote locations.

▶ *How can the U.S. presence overseas be rationalized to “right place” as well as “right size” embassies and consulates and ensure secure and cost-effective overseas operations while continuing to meet key foreign policy objectives and priorities?*