

Summary: The new foreign policy team that is currently being assembled is being watched closely for hints on future directions of U.S. policy, and where the decisions will be made. The preeminence of trade agreements means that the Department of Treasury is likely to become a major player in the foreign policy making process. This process now needs to be complemented with a clear strategy that will chart the course of the three years to come.

Résumé: La constitution de l'équipe de politique étrangère de l'administration Obama 2 donne une idée des nouvelles orientations de la politique américaine et du lieu où les véritables décisions seront prises. La négociation de plusieurs accords de libre-échange place le Département du Trésor au cœur du processus décisionnel. Une stratégie claire est toutefois nécessaire pour donner une ligne directrice aux trois années à venir.

Obama's Second Term: The Process of Building Global Leadership

by William W. Burke-White

Introduction

As of early June 2013, U.S. President Barack Obama's second term foreign policy team is taking shape. At the highest levels, this new team is what might have been expected in Obama's first term, but for the bold and somewhat unexpected pick of Hillary Clinton (who then brought many of her own people with her) as Secretary of State in January 2009. At the White House and in his cabinet, Obama is now surrounded by his closest advisors from the 2008 election campaign. In contrast, within Secretary John Kerry's State Department, a number of career diplomats not linked personally or politically to either the president or the secretary of state have been nominated for positions at the assistant secretary level. While "reading the tea leaves" of personnel appointments can be at times misleading, these appointments do offer some insight into the personalities and direction of Obama's second-term foreign policy.

The new team Obama is assembling suggests two significant structural shifts and three important substantive directions for the United States' foreign policy over the remaining three and a half years of his presidency and, perhaps, for U.S. global leadership going forward. Structur-

ally, foreign policymaking under this new team is likely to move significantly from the State Department to the White House, with the former playing a much-diminished role in the second term. Second, the personalities suggest a new relationship between the Secretary of State and the new national security advisor, Susan Rice, one that may at times lead to public disagreement.

In addition to these two structural changes, broader global trends are being reinforced by personnel picks that will likely drive U.S. foreign policy in three different substantive directions. First, international economic policy is likely to be an ever more powerful driver of the United States' global engagement, with the Treasury Department playing a greater role in U.S. foreign policymaking. Second, the United States' pivot toward Asia is likely to accelerate, notwithstanding the lack of a clear policy-leader within the administration for Asia, generally, and China, particularly. Finally, over the next three years, it appears likely the Obama team will focus on achievable strategic and diplomatic victories, perhaps at the expense of a broader strategy. While these policy directions are understandable and, perhaps, even necessary, none of them suggest

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a significant prospect for overall coherence in U.S. foreign policy or a strategic renewal of U.S. global leadership.

Secretary Kerry has been at work in Foggy Bottom for several months, but only at the beginning of June did Obama name Susan Rice to replace Tom Donilon as national security advisor and nominate Samantha Power for Rice's prior position as ambassador to the UN. Similarly, in recent months, the U.S. Senate has confirmed Jack Lew, formerly the director of the Office of Management and Budget, as the new Treasury secretary and Obama has nominated Michael Froman, his former deputy national security advisor, to be U.S. trade representative. Meanwhile, within the State Department itself, several important assistant secretary positions remain vacant, but a number of appointments have been recently made or, at least, rumored. These include the expected nomination of current U.S. ambassador to Egypt, Anne Patterson, as assistant secretary for Near Eastern affairs; Victoria Neuland as assistant secretary for European and Eurasian affairs; and Danny Russel as assistant secretary for East Asian and Pacific affairs. Each of these nominees is a career diplomat rather than a politically connected outsider. These and other new or anticipated appointments are already altering key policymaking processes and interacting with global trends to produce significant directional vectors for U.S. foreign policy.

Structural Shifts

A first structural shift, already emerging and likely to be accelerated under the new foreign policy team, is the continued move of the locus of foreign policymaking from the State Department toward the White House and the Treasury Department. In contrast with Secretary Clinton, who saw herself both as an independent voice and a power-center in the foreign policymaking process, Secretary Kerry appears to be operating as President Obama's "diplomat-in-chief." Even though Kerry had a 28-year career in the Senate and was a presidential candidate in the 2004 general election, he does not have the Clinton power base and is more unlikely to act independently. While Clinton and Obama worked extremely well together, Kerry is far less likely to disagree, to chart a different course, or to build a semi-independent set of policies. This different role for the Secretary of State may well be the right one for Kerry, but means it is likely to centralize foreign policy authority to an ever-greater degree within the White House.

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This shift away from Foggy Bottom is reinforced by several other factors. First, whereas Clinton focused on building, reforming, and strengthening the State Department by bringing in her own, experienced team of senior leadership, Kerry seems more externally focused. Clinton, for example, launched the first Quadrennial Diplomacy and Development Review (QDDR)¹ to give the State Department a clear and up-to-date mission and direction. Through the QDDR, she created new bureaus to deal with emerging challenges such as economics, energy, civilian security, and counter terrorism. Despite Kerry being still early in his term, he has been largely seen as detached from the day-to-day workings of the State Department. In his first four months on the job, Kerry has been on the road 55 days and racked up over 100,000 flight miles — even more than Secretary Clinton did during the equivalent period — and has not given significant attention to the internal workings of the department. Such an approach to the role of Secretary is not unusual and is often effective — Henry Kissinger is probably the best example — but it does lead to a diminution of the role and power of the State Department itself.

The power-shift away from the State Department may be reinforced by the recent or expected appointments within the department's senior leadership. Recent appointments at the Assistant Secretary-level have largely been career diplomats who, while bringing a wealth of experience and expertise within the department, are far less politically connected than their counterparts were under Secretary Clinton. For example, Patterson served previously as ambassador to Pakistan, and has been a career Foreign Service Officer since 1973. Highly competent, Neuland

¹ Quadrennial Diplomacy and Development Review, <http://www.state.gov/s/dmr/qddr/>. Last accessed June 11, 2013.

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has been in the Foreign Service for nearly three decades, has most recently served as the State Department spokesperson, and previously as ambassador to NATO. Her anticipated position was previously held by Phil Gordon, a politically connected outsider who had served under Bill Clinton at the White House and worked at the Brookings Institution. Russel is another career diplomat who, while spending the past four years seconded to the White House as senior director for Asian affairs, has had a long career with State, largely focused on Japan. His position had been held by Kurt Campbell, a Clinton and Obama campaign advisor who had founded the Center for a New American Security. Each of these nominees has real merit and great skill, but they are not deeply connected to either Obama's or Kerry's inner circles. While they will likely be very effective within the State Department bureaucracy, they may have less access, clout, or independent authority than their immediate predecessors did.

Moreover, Obama is now surrounded at the White House and in his Cabinet by his closest and longest-serving advisors, making him less likely to rely on the State Department for policy advice or even implementation. Obama will have Susan Rice, his chief foreign policy advisor during the 2008 campaign, at the White House as national security advisor. Samantha Power, an aid from his time in the Senate and another important campaign advisor, will be in his cabinet as UN ambassador (assuming she is confirmed). Other trusted foreign policy advisors ranging from Vice-President Biden to Deputy National Security Advisor Ben Rhodes will remain on hand at the White House. As a

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result, the State Department is likely to be pushed further from the center of policymaking.

A second structural shift likely to emerge in the coming months is a very different dynamic between the secretary of state and the national security advisor. This is not to say that Kerry and Rice will not have a productive relationship — presumably they will. But their relationship and roles will look very different than that which existed between Clinton and Donilon. Donilon was the quintessential insider and quiet deal-broker as national security advisor, who effectively and astutely coordinated U.S. foreign policy at the highest levels and served admirably as the president's emissary on numerous occasions, but who never sought a public, high-visibility role. That is, in part, simply his nature, though it may also have been driven by the recognition that Clinton already had that public presence and high-visibility role; competing with her in that space would have been counter-productive.

Kerry and Rice are likely to have a very different dynamic. If her time as UN ambassador serves as a guide, Rice both thrives on and is effective with a more public presence. She was, by all accounts, President Obama's first choice as Secretary of State but for Republican political attacks on her role on Benghazi, and tends to see herself more as a policymaker than inter-agency deal-broker. Secretary Kerry has far less of a public presence than did Secretary Clinton, notwithstanding his own 2004 presidential bid. Perhaps by his own choice, he is not the subject of constant media attention as was Clinton and, by any account, lacks her public magnetism. That contrast, along with Rice's close relationship with the president, is likely to create space for her to emerge as a more public — if not more powerful — national security advisor than was Donilon.

This different dynamic may well create the possibility of new internal tension between Rice and Kerry, both of whom will have public roles and may well have differing goals and policy preferences. Rice has built her career on tough, multi-lateral diplomacy at the UN and is associated with her advocacy for intervention in Libya, human rights protection in Africa, and causes such as the Responsibility to Protect doctrine. She is likely to be far more forward-leaning and more willing to drive policy on these issues than was Donilon. In contrast, Kerry appears to be a more traditional diplomat, scanning the globe for situations in which the United States' diplomatic engagement can resolve a conflict, avert a crisis, or advance a

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strategic opportunity. Rice is likely to be assertive, Kerry reserved — both in public ways. However their relationship develops, the U.S. foreign policymaking process will look very different than it did in Obama's first term. Whereas in Obama's first term, the Clinton-Gates relationship often drove U.S. foreign policy, in the second term, it is likely that the Kerry-Rice dynamic, perhaps with Jack Lew as the tie-breaker, will be the driving axis of policymaking. While the Pentagon will, of course, have a role to play, Secretary of Defense Hagel seems to be emerging as a less significant player in the inter-agency process than was Gates.

Substantive Directions

With these structural changes as the backdrop, what can we expect substantively in Obama's second term? And how might these new substantive policy preferences impact the United States' global leadership in the years ahead?

Economics

Perhaps the most important substantive direction that is likely to define Obama's second term is the continued rise of international economic policy and the attendant growing role of the Department of Treasury in U.S. foreign policymaking. It is hard not to conclude that China represents the greatest challenge — both as a threat and opportunity — to the United States today, something that the June 2013 Rancho Mirage Summit between Presidents Obama and Xi Jinping is indicative of. The U.S. relationship with China is and will continue to be defined on economic terms to

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a large degree. Looming global challenges will also put economics in the forefront — whether driven by the relationship with China, the response to the global economic crisis, or the challenges of climate finance. So too, as the United States continues a slow economic recovery, U.S. foreign policy will emphasize economic development for the country, in terms of promoting inward capital flows or opportunities for U.S. investors overseas.

Secretary Clinton recognized the need for the State Department to play a greater role in U.S. foreign economic policy if the department were going to remain relevant. To that end, she restructured the existing under secretary for energy and agriculture to give that individual more responsibility over the interrelated systems of economics, energy, and the environment, and established the new position of chief economist at the State Department. Kerry appears to be less focused on these non-traditional aspects of diplomacy. Clinton's chief economist, Heidi Crebo-Rediker, has recently stepped down and it remains uncertain whether Secretary Kerry will continue the position. Bob Hormats, under secretary of state for economic growth, energy, and the environment under Secretary Clinton appears, for the time being at least, to be staying on. Hormats has been effective in some ways, but has never emerged as a key policy-driver in the inter-agency process and is unlikely to play a major role in the second term.

While the State Department's ability to engage on economic policymaking may have increased somewhat under Clinton, the Treasury Department's foreign policy role has expanded exponentially during that period. Under Secretary of Treasury for International Affairs Lael Brainard has been a powerful force on economic-related foreign policy issues in Obama's first term and is likely to continue to be a driver of economic-related foreign policy in the second. At an even higher level, the appointment of Jack Lew as treasury secretary cements the Treasury Department's expanded foreign policy role. Lew is the former White House chief of staff and has a close personal relationship with President Obama and key personnel in the White House, giving him meaningful across-the-board policy influence. Prior thereto, Lew served as both deputy secretary of state under Clinton and director of the Office of Management and Budget. As a result, he understands the foreign policy process and knows U.S. government budgeting better than perhaps anyone. Lew, and the Treasury Department that he leads, are therefore extraordi-

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narily well positioned as a powerful foreign policy force at the probable expense of the State Department.

Interlinked with the newfound importance of economic policy and greater influence of the Treasury Department is the real possibility that trade — much neglected during Obama's first term — may become a centerpiece of his second term. Despite a reluctant Congress, Obama was ultimately able to get trade deals with Korea, Columbia, and Panama passed during his first term. Michael Froman, the current deputy national security advisor for international economic affairs, has been a powerful voice within the White House and was nominated in May 2013 to serve as the next U.S. trade representative. Froman's nomination, backed by his close relationship with the president developed while at the White House, suggests that Obama will seek to elevate trade issues on the agenda of the second term. Froman will likely breathe new life into the Transpacific Partnership, the recent proposal for a transatlantic free trade agreement, and other bilateral trade deals.

Asia

The second substantive direction likely to define Obama's second term is the United States' ongoing pivot toward Asia, which is driven by external trends and may present real challenges at the personnel level, given appointments to date. The National Intelligence Council's Global Trends 2030 Report² affirms the continuing rise of China and India and the declining influence over the next two decades of the United States' traditional allies in Europe. On the other hand, China, India, and other rising powers are likely to be — whether the United States likes it or not — the principal sources of both challenges and opportunities in the second term.

To a large degree, the Obama administration appears to be looking toward Asia for its biggest policy initiatives during the second term. In the past year, Obama has made unprecedented trips to countries such as Myanmar and Cambodia to improve bilateral relations, presumably in light of China's expanded influence in the region. On the policy side, the Transpacific Partnership trade agreement with eight other countries bordering the Pacific will likely define a more robust second term trade agenda.

While global trends point toward Asia as the center-point of U.S. foreign policy during Obama's second term,

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personnel choices have not followed suit. In the first years of the first term, Deputy Secretary of State Jim Steinberg and Jeffrey Bader at the National Security Council largely led U.S. policy toward Asia. During the second half of the first term, that role shifted to Assistant Secretary Kurt Campbell and Tom Donilon as national security advisor. As yet, however, no one has emerged as the point person on Asia for the second term, a position none of the recent appointees are likely to fill, with Kerry having historically been more interested in the Middle East rather than China. Measured in comparative flyer miles, he has only traveled to East Asia (China, South Korea, and Japan) once thus far as Secretary, while he has made several trips to the Middle East. Similarly, neither Susan Rice nor Samantha Power has significant Asia experience, and even Danny Russel, should he be confirmed as assistant secretary for East Asia and the Pacific, has far more experience with Japan than with China.

If the administration is to be positioned to respond to the challenges and opportunities presented by China (and Asia more generally), a point person with significant regional knowledge and a powerful voice in the interagency process is urgently needed. Without such policy leadership, the United States runs the real risk of failing in what might well be the most important policy space for the second term.

Given these significant trends in U.S. foreign policy, a strategic vision that addresses them and provides a coherent frame for the U.S. role in the world is urgently needed. Yet,

² National Intelligence Council, Global Trends 2030, <http://www.dni.gov/index.php/about/organization/national-intelligence-council-global-trends>, accessed June 11, 2013.

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even during Obama's first term, one would be hard-pressed to identify a coherent and consistent Obama doctrine or strategy. The 2010 National Security Strategy³ was, of course, an attempt at that, as it laid out important principles around the advancement of the United States' security, prosperity, and values, but has never been seen as a theoretically consistent grand strategy. Given that the document was written during Obama's first year in office, it is, not surprisingly, framed more as a reaction to and contrast with George W. Bush's foreign policy than a statement of Obama's own strategic vision. Unfortunately, there is little reason to think that the second-term foreign policy team will focus more on developing a coherent grand strategic vision than did the first-term team. In fact, it seems less likely that such a strategy will emerge now.

As the second term of any president moves on, the opportunities dwindle for laying out and implementing a real strategic vision. Much of Obama's foreign policy over the next three years will be defined by external crises and driven by events outside his control. In his last year of office, as his domestic capital wanes, it is anticipated that he will focus mostly on foreign policy. However, during the next two years he is likely to spend as much time as possible advancing his domestic agenda. Therefore, even though a second National Security Strategy can be expected next year, it is nonetheless unlikely to offer a real grand strategy.

Beyond the president and White House, the first term official who came closest to articulating a broad strategic vision was Secretary Clinton. Through the QDDR, she articulated a vision of "leading through civilian power" that sought to build United States' global role through stronger civilian agencies as partners with the military and to deal with interlinked emerging issues such as economics, energy and the environment, and post-conflict civilian security. While more of a mission statement for the State Department than for the United States as a whole, the QDDR did offer a vision of U.S. leadership with a distinct set of civilian tools and purposeful engagement on emerging challenges. In contrast to Clinton, Secretary Kerry appears to be far more interested in direct state-to-state diplomacy rather than the development of a broad strategic vision, a type of diplomacy that tends to be responsive rather than proactive. While Kerry will (now by Congressional mandate) undertake his own QDDR, it does not seem

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likely that he will try to offer a strategic vision to drive U.S. foreign policy.

We can and should hope that between the second term National Security Strategy and a second QDDR, there will emerge a comprehensive strategic approach situating the key developments of Obama's first term in a coherent frame and offering a vision of U.S. engagement and leadership in the second term. There are, however, few signs, as yet, that such a process is underway or likely to prove fruitful.

Conclusion

President Obama is in the process of assembling a strong, and even excellent, team for his second term. It is, to a large degree, the team he might have imagined back in 2009. This new team will however look and operate very differently from his first term. It seems likely that the State Department may lose the most in that process, as foreign policymaking becomes more concentrated in the White House and the Treasury Department plays an expanded foreign policy role. And while the Kerry-Rice relationship will have to be given time to develop, we are likely to see them both angle for larger and more public policy roles, a process that may involve potentially dangerous tension.

For the United States' global leadership in the years ahead, the second-term foreign policy team may be less consequential than the broader global trends that are reshaping the international environment. Economic diplomacy and economic issues will, undoubtedly, frame much of U.S. foreign policy. China and Asia will be at the center of — or at least be a necessary part of any solution to — global challenges and future opportunities. Yet, it is far from clear that the administration is positioned — either politically or in terms of the second-term policy team — to develop a more comprehensive strategic frame for addressing these

³ http://www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf

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issues in particular and the United States' global role more generally. Such a strategic vision is urgently needed. We can hope that the new dynamics and structural shifts in U.S. foreign policymaking will, even if unexpectedly, ultimately lead to a more coherent overall strategy, something the president should bear in mind as he finishes assembling his second-term team.

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