# Anticipatory Governance:
# Upgrading Government for the 21st Century

Jane Harman:
Good afternoon. Thank you for braving the rain, and welcome to the Wilson Center. I'm Jane Harman, president and CEO. As most of you know, the Wilson Center, the living memorial to our 28th president, is a vibrant arena for discussion. We seek to create a safe political space, in the words of a Republican senator, to engage a variety of views and to explore today's toughest policy issues. All viewpoints are sought out and heard free from spin. I don't have to correct that anymore in light of the election. The election, I should point out -- or the American election is over. And imagine now that we can have conversations here and maybe a mile from here on top of a Hill free from spin.

The critical issue we're discussing today is how to get ahead of domestic and international crises instead of just responding to them, think a potential cyber 9/11 or more recently a natural disaster like Hurricane Sandy. The threats we face in the 21st century, both home and abroad, are increasingly complex and it's essential that we use 21st century, not 19th century, management tools to prepare. Sadly, gridlock in Congress, a place I know very well, has made it hard even to raise, let alone debate, some of these issues. But an interesting aspect of Leon Fuerth's report which will be the launch pad for today's discussion is that it makes practical recommendations that can be instituted without legislative action.

As a recovering lawmaker -- as you know I served 119 dog years in the House --

[laughter]

-- I think Congress -- I'm glad you all thought that was funny -- I think Congress and the public should weigh in on these issues, and that's what we're doing today. Entitled "Anticipatory Governance: Practical Upgrades Equipping the Executive Branch to Cope with Increasing Speed and Complexity of Major Challenges," the report is endorsed by big names like Albright, Brzezinski, Pickering, Nigh [spelled phonetically], Slaughter, and numerous other national security experts and policymakers from both

parties. It proposes specific structural changes in three areas, and you'll hear much more about this in a moment. One, integrating foresight, a version of long-range scenario planning into policy creation and execution. Two, developing a networked system for orchestrating whole of government management. I think we should all commend FEMA for finally figuring out how more or less to do whole of government management in the event of a hurricane like Sandy. And finally, three, creating a better feedback system for measuring results. As Leon writes in the report, "Our 19th century government is simply not built for the nature of 21st century challenges. At the same time, our budget constraints are forcing us to re-examine the efficiency and operational structures of our government."

The goal of today's panel is to help launch a discussion of the actionable ideas presented in the report and it's exciting to have four good friends here who will take on these subjects. David Abshire has one of the youngest minds in Washington. He's able to -- and he's actually quite a young person --

David Abshire:
Thank you.

Jane Harman:
You're welcome. Raise your hand if you think David is young.

David Abshire:
I appreciate all the support.

[laughter]

Jane Harman:
He's able to grasp big ideas and suggest them in bold and exciting ways. He was probably thinking about this subject when Leon and I were in nursery school. Graduate of West Point, David fought in the Korean War, was decorated as company commander. He served as a special counselor to President Reagan, U.S. ambassador to NATO 1983 to 1987 and is now president of the Center for the Study of the Presidency and Congress here in Washington.

Sandy Berger, whom I have known for decades, we were in law school at the same time, is a wonderful and dear friend.

Numerous wonderful accolades, presently running the Albright Stonebridge Group, but he also, I think you all know, was national security advisor under President Bill Clinton from 1997 to 2001.

Paul Verkuil, another old friend, has had numerous jobs heading colleges and law schools, a leading scholar, now chairman of the Administrative Conference of the United States, a job most of you don't know about but you will in a moment. It's a federal advisory committee that offers nonpartisan advice for making federal agencies more efficient and Paul may be in the catbird seat for helping to implement a number of the changes we're going to discuss. He's enormously thoughtful and the only one of us in a job where he can truly realign the decision making process. He also happens to be married to Judith Rodin, former president of Penn and first permanent -- permanent woman -- first president -- woman to be president of an Ivy League university --

Paul Verkuil:
She's a permanent woman too.

[laughter]

Jane Harman:
I guess she's not temporary. So, finally, we're delighted that Leon Fuerth will deliver today's keynote. Leon was national security advisor to President Al Gore, previously spent 11 years as a foreign service -- I messed that up.

Leon Fuerth:
The farthest he goes was the next president.

Jane Harman:
The permanent -- okay. Leon was national security advisor to Vice President Al Gore, previously spent 11 years as a foreign service officer, and a long, long time on Senator Gore's staff. He is now founder and director of The Project on Forward Engagement which focuses on thinking about complex and longer range issues in a way that is applicable to public policy. That sounds a lot like the Wilson Center's goal, which is to think ahead not just about what the problems are, but also what het processes are to address the problems. Leon will tell us more about his report. I'll then moderate some Q-and-A among the panelists and then we will open the floor to questions. We

will adjourn promptly at 2:00 p.m. Please join me now in welcoming Leon Fuerth.

[applause]

Let's see, go ahead.

Leon Fuerth:
This is the time when you want to have a pipe so you could fill it, but those days are past. I was just scanning the room, I see an awful lot of friends and I hope that you stick around afterwards so that you can tell me what I did wrong and so that I can give you a hug. Because I said I'd do this in 15 minutes I'm going to try my best, but I do want to make some acknowledgements, a disclaimer, and a few other things and then I'll get launched.

Acknowledgements goes to institutions that have supported this work that begins with the Elliott School in The George Washington University, it extends to the National Defense University, it encompasses the Rockefeller Brothers Fund which supported this at one point and the MacArthur Fund which supported it at another and a number of private donors who still want to be private.

The disclaimer is simply that anything I say today represents my views, not those of these institutions and they all are pretty clear that they would like that disclaimer made, and I don't take any umbrage at it.

I also, in particular, want to recognize Evan Faber who is here in the front row. Evan is the last in a noble succession of young people, some of whom I found out later were all living in the same apartment. I got the feeling that they were passing me on from one to the next.

[laughter]

In fact, one of these days I'm going to find out the truth about that, including whether or not you had a sequence worked out. But I decided when I left government that I wanted to be around young people. It turned out to be the best decision I made. You can't be around them and still lose faith in the future. In particular, I want to make it clear to you that every page of this document bears the imprint of advice, counsel, and contributions from people

like them but especially Evan in the last two years when this project was running jointly at NDU and at GW.

Now, did I omit anything? No, I didn't.

Well, the first thing that's obvious is that I'm standing before you a credentialed senior citizen. I've got two pairs of glasses, one for short, one for long, I have the grey hair, I've got the pocket documentation, and I take advantage of all the discounts for seniors. And the reason I mention this is because if I come before an audience and say that I'm here to talk about the acceleration of events, the first thing that pops up is, of course you do want to talk about the acceleration of events because you're slowing down. But there are two possibilities for this perception. One of them is, as I said, you're slowing down and it appears like everything else around you, even if it isn't speeding up, is in the process of pulling away from you, at least. The other is that something has happened and that events objectively are speeding up, and I would argue that in addition to the fact that I have slowed down, events have speeded up, and I think all of us can think of plenty of examples as to why that is so.

I first noticed this in my time in the White House when I began to sense that events that I had spotted as being more distant and slower moving were, in fact, jumping the cue and arriving at senior tiers of government for discussion much faster than I had calculated, and in those days I prided myself on having an internal map of what issue was where and how much time that would leave us to try to come to grips with it, and it was disconcerting to suddenly walk into a situation where the unexpected was taking place right under my nose. I could provide illustrations for this but in order to save time on this let me just say that I formed a theory that something systemic was taking place and it may strike you as odd, but my theory was that the exponential increase in computation and networking was a driving force pushing accelerated social development all over the planet. That this was -- Moore's law, in effect -- was a new thing to be contended with and that it had objectively accelerated the pace of change and that, in my observation, things were beginning to move faster than our response time, which is always a risk for a government that depends on representation and deliberation and debate, not to mention litigation.

As those of you who know anything about me realize in the last couple years of the second Clinton administration I was thinking there would be a Gore administration. He and I were agreed that we had had -- he had had every opportunity to influence where we had gotten as a nation and it wasn't a question of changing the legacy policies, it was a question of trying to improve legacy systems to keep up with this acceleration of events. So if you want to look at the last decade or so, you can judge for yourself whether we've been able to do it.

September 11th has been sort of pigeon holed as a "who might've thunk it," but I'm here to say that a lot of people were thinking about this going back even to the Atlanta Olympics. I don't believe that anyone bears ultimate blame for this other than the people who perpetrated it, but the question is, looking back through all the testimony and all the findings of the commissions, whether we were thinking far enough ahead and fast enough ahead to give ourselves the best chance of having at least tripped over this in time to stop it.

The war in Iraq, full of unintended consequences and I think we could debate whether those unintended consequences were unknowable at the beginning or foreseeable at the beginning.

The financial crisis that we're going through, starting in 2008, has a lot of resemblance for those of us that went through the Asian banking meltdown which, in many ways, looks like a dress rehearsal for what fed into the financial crisis of more recent years.

The Arab Spring is another interesting situation falling into the "who could've thunk it" category, but I think anybody who is looking at Egypt, for example, as we were in the 1990s included and knew at the time that there was a youth bulge heading towards maturity and that it was going to reach the crest somewhere right around now and that the economic system of Egypt would offer these young people nothing in terms of hope for their own futures and needed to be speeded up somehow in order to provide any hope of equilibrium in that system.

So I think the moral here is that surprises and crises are always going to happen and we have to hope that in many cases they'll be handled adroitly but a defensive game is a

losing game and the question for governance is whether you can position yourself in such a way as to be able to not dictate but strongly influence how that game is going to be played and preferably force it to be played on your terms rather than on the terms of some other active in the picture.

Now, this goes to the question of governance. In the report that you've picked up outside you won't find any word about specific policies. This report is about systems of governance that have to be employed by anybody who is running the United States government, regardless of political orientation. So, in effect, this paper is also silent on the Constitution which remains so remarkable compared to other countries that have had to reissue new constitutions every dozen years or so. Ours stands there as a model of economy and resilience. What I'm here to talk about is, therefore, not the constitutional system but the operational doctrines and habits and institutions that have developed in order to make the Constitution work.

What I want to bring to your attention is that the style and form of governance that we have now essentially reflects the best practices of the late industrial period in the late 19th and early and mid 20th centuries. People thinking about government decided that some of the best examples of their day about how to manage a large institution were industrial and our government is essentially organized along those lines: vertical organization, sequential processes, knowledge is power, knowledge comes from the top, direction comes from the top, not from the bottom. These are all rigidities which when instituted actually were reforms but given the presence of acceleration they become sources of risk.

In particular, we have an approach to policy based on linearity and that is we think that for every problem there is a unique solution, all you have to do is impose the solution, the problem will go away. The fact is that what we have are complex problems. Complexity has its own rules. These rules have real implications for governance. Those rules include unexpected or unanticipated consequences, that surprise dominates our efforts, that the effort to change something actually morphs the problem so that management is not so much the ability to adhere to one formula but the readiness to shift as soon as you can possibly recognize that the time has come for a change of

course. There's difference between complicated problems, which are things that can be disassembled in the old way, fixed up, bolted back together again, and expected to operate and complex problems where every element of the system is continuously affecting every other element of the system. We are dealing with complex problems in this new epoch and so we need to find a way to improve the ability of governance to operate in this kind of environment.

The term anticipatory governance came out of an effort to suggest methods that wound enable government to become more in step with approaching change, that is the ability anticipate, the ability to adapt, and the ability to deal with change and shock in a resilient manner. Anticipatory governance proposes that we can upgrade government by adding three essential elements to existing systems to help manage complexity. One of them is a means to bring foresight together with policy, another is a means to network operations across the government in order to achieve a more focused and sustained application of resources, and the third is feedback, and I'll come back to each of these in due course.

So, I'd like to divert slightly to explain how this study came to be because it will explain to you some of its features and perhaps convince you of the authenticity of its findings. In the summer of 2011 I organized three groups of senior officials, both current and former, met in private using Chatham House Rules at the National Defense University to discuss ideas about how to upgrade the government. These participants later agreed one by one, after checking with their organizations, to be identified as contributors and their names appear in the study. The ideas that we discussed were vetted against certain strict criteria designed for practicality and feasibility. No demand for new resources -- Sandy, this comes from you -- no new brick-and-mortar institutions. Sandy came and participated in one of my classes at GW and after they went through 50-some odd slides about how to organize this his advice is why do you need a large brick-and-mortar institution, it should be virtual. That was a turning point in thinking about how to get at this, and it also is vital because there is no way you can get a large brick-and-mortar institution through the Congress of the United States, you're going to have to improvise and improvise brilliantly in order to have that occur.

Now, only ideas would make the list if they could be enacted under existing law and existing presidential authority. It's true that the Congress has to get into the act, especially if you're talking about the way in which the broad executive functions operate. No way to do that without the Congress. But if you want to begin at the White House, which is the center of all these things, you can. I've checked this out with people who operate at the White House counsel level and their verdict is pretty clear which is, you may have to argue your point but your point is valid, the president can do the things that are described here. Moreover, he can do them pretty much within existing resources in terms of money and personnel.

Now, when this study was completed I began to ask another group of people who had held very senior posts in previous governments whether they would agree to endorse the findings, and you'll find in the report a listing of the endorsers and among them you'll find my friends Sandy and David Abshire, as well as Madeleine Albright and also Steve Hadley, and Michele Flournoy and over 30 others. These are people who have got unquestionably, can I say, brilliant credentials to judge whether or not proposals for upgrading the capacity of government are sound and implemental.

I'd like now to go back and give you a brief discussion of the three elements that comprise anticipatory governance, and I'll begin with foresight. The first thing I have to do in a discussion of foresight is to say -- is to define it. Almost everybody has got their own definition of what foresight is and it takes some care to come up with one. Here's mine. My definition of foresight is it is the capacity to visualize alternative futures to test in the mind what you can otherwise only test in reality where experimentation will cost the nation. Testing it in the mind costs you nothing but electricity for light and air conditioning. Taking it to the streets and testing it in warfare or testing it in conflict is another matter. We have to do a better job of testing our theories of the case -- back to you, Sandy, again -- in the mind before we bring them out into the real world.

So it's not prediction. It's not about point source statements about what is absolutely going to happen in the future. It's not vision, though it's close to it. It's not the kind of vision that narrows down on one and only one possibility for the future and makes enemies of anybody

who's got a different opinion. It is the ability to see alternative courses of action and also the ability to understand how different steps one may take will interact with this complex system and produce results including unanticipated results. It is not what you get from the intelligence system. The intelligence system of the U.S. is potentially a powerful source of input for foresight, but you have to keep in mind that there are certain constraints. Intelligence systems in the United States may not become advocates for specific policies. If they do, then they lose credibility as impartial conveyors of the best truth they could find. They can also not engage in debate over domestic U.S. policy. This puts them in the peculiar position of not being able to pay attention to the interactions between what happens in our country and what happens elsewhere in the world. So at the center of this doughnut is a black hole where all these other interactions are taking place and as a formal instrument of government the intelligence community alone cannot help you understand what's going on inside that dark area. It is actionable. The question is how to design means to bring foresight to bear on policy formation and that's what I want to turn to next.

This report outlines a number of specific steps that you could take at White House level to bring foresight and policy into a more intense relationship. Some of these are really absurdly simple. You could designate certain key staff members to collect foresight-based information from existing sources and integrate it into the stream of information that they provide to decision makers, the president of the United States in particular. You could use the Deputies Committee where national policy agency issues come together to maintain a fix on what the national objectives are, what the resources are, what the priorities are, and at least to begin a process of long-term planning. You could use the existing strategy planning offices in the national security staff and the policy planning offices in the executive branch to pool their information and to conduct disciplined foresight and analysis. You could create new incentives for civil servants to begin to pay attention to this and you could start to educate the civil service systematically to prepare a generation of civil servants who were at home. The only place I know of that presently does this is Singapore as part of its Horizon Scanning and Risk Assessment program.

Network governance. As I said, our system essentially reflects experience with 19th century industrial organization. It used to be that our military did too, but our military has been moving, since its reform period, into a space that the civilian government does not occupy. The person from whom I learned the most about this -- unfortunately never in the flesh -- was from the late Admiral Art Cebrowski who began to develop and publish on the theory of net-centric warfare. The idea of net-centric warfare is you flatten hierarchies, eliminate the middle, move authority to the periphery for action and initiative, use rigorously stated commanders' intent to lay the principles of action to provide a framework for strategic behavior, organize so that you are managing to mission rather than managing according to the mandates and perks of the organizations that are involved and budget to mission so that the budget reflects national priorities and the national vision of alternative futures.

There are specific ways you can do this. First of all, we have a plethora of reports on national security that come out at different times. Most of them, except for the State Department's version, are mandated by law. Secretary Clinton took the initiative to have a State Department version of one of these things published and it's excellent reading. I think these clocks should be synchronized. I think that a person who enters this body of reporting at one side should be able to see how it connects to all the other sides and the master gear here would be the president's Statement of National Security and you should see how that ripples through the reporting of all the other agencies, but you should also see how their views are integrated and feedback into what the president is seeing.

It's doable. You could create and use a super calendar, and this is an idea that bubbled up in discussions among these working groups, that would lay out sequences of events and desired events, plan how you get into them, plan how you get away from them, and organize whole of government behavior around them. You could create teams of officials who are more focused on mission than they are on turf. And one of the places you could start, really, is the Cabinet of the United States which only exists nowadays as a place to take a photograph but potentially has sitting on those leather chairs the people who can manage the level of knowledge and integration across organizational divides that this new period requires. You could conduct strategic

budgeting. If there are alternative budgets -- sorry, alternative futures, then you should be thinking about the alternative costs of dealing with them. Typically we divorce these processes. Speeches are made about the future but there's no evidence that those speeches have ever been linked to what it takes in order to pay for getting to that future.

Feedback. Feedback is an engineering concept that comes out of electronics. Actually, it comes out of cybernetic theory, but basically what it amounts is you have a machine, it has an output, you take off a portion of that output and you use it as a standard for correcting what that machine does. This is called negative feedback. It inserts a certain degree of linearity and predictability into the way machines convert energy into output.

How does that affect government? Typically, when the president signs off on a policy, it's remanded to the executive branch to be executed. The next time you know that something's going wrong may very well be when it hits the press. What you don't have in place is a system that informs the president of the performance assumptions over time for the particular policy he's being asked to sign off on. And even if he's got that, you don't have a mechanism for testing results over time against those expectations. And you don't have a mechanism for feeding those results back if it looks as if what you thought was going to happen isn't happening. And given the fact that everything is complex and unintended consequences reign in complexity, you need those things. This can be done. It's not rocket science to do it. But it is a new wrinkle, and it would require learning some new tricks. They're learnable.

So, here's my conclusion. David, you have in one of your conference rooms a motto from Mark Twain --

David Abshire:
That's correct.

Leon Fuerth:
And it says, "History does not repeat itself, but it does rhyme." I think that's just great, because it frees you from -- it warns you not to become a slave of past models, but it also warns you not to ignore the kernels of wisdom that can be found in those past models if you only realize that they are adaptable. So the future will not resemble

the past, and it will not resemble the present, and we are at the beginning of a new epoch that is being defined day by day. But there is range in there to figure out what we have done right, and try to find the formula or secret sauce for doing it again. Complexity and fast-paced change are a tremendous challenge for this country, essentially because we need time in a democracy to figure out what's happening to us, to debate what we're going to do about it, and then unfortunately, to relitigate what we decided to do about it. But our system still works if you give it a chance to contemplate and to deliberate. Anticipatory governance is practical, credible, and non-partisan. And this particular time on the calendar is the right moment, I hope, for the new administration to consider not only the policies it wants, but the systems upon which it depends to find those policies and carry them out.

Jane Harman:
Leon, thank you.

[applause]

So, the timing of this panel is not an accident, this is right after our interminable election, which ended last week. I thought I would point that out.

[laughter]

And now comes the transition, and certainly it is our hope that your views, the discussion today, and anyone listening out there -- because this is webcast and will be reported on -- who is moved by this material will make certain that the Obama transition considers some of these ideas, because I think they're extremely worthy.

Let me just asked a few questions, then we'll open it to your questions and comments. We are ending at 2:00, it is now 1:20. David Abshire, young man that you are, Leon described the cabinet process basically now as a photo op. I'm sure he didn't have anyone in particular in mind, but the cabinet process has not been particularly productive. There was a president named Eisenhower who brought military background to the White House and created something called the Solarium Project. And I know this is something you know a lot about, and it would be interesting if you could give us some context for times in the past when ideas, not as modern as Leon's, but modern, were considered. And why

didn't they ever get adopted? Or why didn't they ever get institutionalized so that they are with us now?

David Abshire:
Well, let me say first of all, Eisenhower became fascinated in his earlier career about mindsets that shut out the unexpected. When he got into the war, Kasserine Pass, none of 'em saw it; the Battle of the Bulge, didn't foresee it, and so he wanted to think of ways to organize his NSC that would set up a forward planning group, and then he would have his operations coordination board to carry that out.

He had also lived with the history of Pearl Harbor when there were all sorts of warnings. You know the first warning came in January of 1941, and granted, no reason to believe it came from the cook at the Peruvian Embassy to Ambassador Grew, that the Japanese were moving on plans to attack Pearl Harbor. Admiral Yamamoto was training on that. Ridiculous. Why would they bring us into the war? Not to their advantage. Well that was a month that Yamamoto started that.

So in dealing with a way to build more agile framework, he started out with a solarium exercise at what's now the National Defense University. And he had the three groups. One was roll back, which a lot of Republicans were talking about. The other was containment, and the third was containment plus. And by the way, when he set up, he wanted partisans all in these three groups. It was competitive strategies as Michael Porter would say, people who were really invested in their position. And when he was planning this out, he said to Dulles, he called him Foster, he said, "Foster, now you get Kennan. He's going to head the containment." Foster said, "Well, Mr. President, you don't want him. He's a democratic snod, he attacked you during the campaign." And Ike said, "You didn't understand me. You get Kennan do to this." And he did.

So they went through this for three months, and then Ike said, "Now look at the commonalities. You all decide the commonalities in what you've done." Well they couldn't, they were so vested in their positions. So Ike stood up and put it all together. And Kennan wrote in his diary: "This was a superior mind in the group." It helped shaped his NSC, but as a grand strategist -- and I gave a lecture on this at the Defense University -- that he built this --

you know, grand strategies going back to Alexander the Great, you see them fully in retrospect. And a grand strategy's got enough resilience that you change it, because if something is set and rigid, it's not a strategy any longer.

So this grand strategy that he had also looked at ways that you could make breakthroughs in the scientific field, and get a big jump on things. That was his science advisor, that was ARPA, later DARPA, which introduced Internet beyond his time. He also -- USIA, the battle of ideas, Radio Free Europe, Radio Liberty, I had the pleasure of sharing that with Board for International Broadcasting to reach the people of Eastern Europe. And when you had the two young, brilliant people working with Admiral Mullen here, and they were talking about changing from the age of national power to people power. Well, he anticipated that, that we've got to reach people. So he also did "Atoms for Peace," he kept trying to make breakthroughs with the Soviet system. And let me just say, in Ike's latter years, he had had his attack, he was ill, he was not at his best. But he never used the bully pulpit. That was just not his thing as you began to approach the next election. But he did have this capability, and we've said this to the White House, of looking on a long-range consensus-building strategy that has agility with it, and looks for new opportunities as you go along, and does not get rigid. He met with his NSC every week, and was on top of the game. He didn't want to appear to the public as too much of an intellectual or a military man, so he sort of dumbed his appearance down, which didn't help him later in the missile gap. Of course, there was no missile gap, but he didn't bother to defend himself. But it was interesting in that first period, which he brought new life to this effort.

Jane Harman:
Thank you. Well we can get into that further. Sandy, Leon mentioned 9/11, which was predicted by a number of groups. There were people in the White House when you were there, or people in the administration whose hair was on fire. I certainly was a member of one of these groups predicting a major attack on U.S. soil. Obviously not enough people were listening. Some were listening, and it happened, and we were underprepared. Looking back, at the time when you were head of the NSC, did you have tools that were process tools that were helpful? And if you didn't, what lessons can we learn from that?

Sandy Berger:
Well I think -- first of all, I think that it's a very important, very consequential report, Leon that you've done, and I sincerely hope that the administration absorbs it and adopts it. Jane, I think that we tried to embrace this kind of forward thinking, not with the kind of rigorous framework that Leon has provided, but perhaps intuitively or instinctively. Sometimes we succeeded and sometimes we failed, because I don't think we had the framework that Leon was talking about. Let me just give you two examples, one were we succeed, one where we failed.

Leon Fuerth:
I had no idea there was a framework at that time.

Sandy Berger:
Yeah, well it was in your mind.

[laughter]

I'll start with an example where we failed. [coughs] Excuse me. Somalia. You all remember Black Hawk Down. It was a failure of foresight, network governance and feedback. Foresight actually started with President Bush, when I got a call during the transition from my friend Brent Scowcroft, who said, "We're sending 20,000 soldiers into Somalia. They're just going to clear the supply lines, because all the clans were blocking relief. But they'll be out before inauguration, so don't worry about it." No foresight. No thinking in an anticipatory way of how do you get these people out? No network governance, in the sense that we were not able to make decisions that were cross-cutting. And no feedback, as the mission shifted towards hunting for Aidid and it got off track. So, I mean, that's an example of where I think this kind of framework would have helped enormously.

On the other side, I think there were instances, Leon, that we did without, again, the kind of rigorous framework that you provided. Try to think forward. And I think President Clinton wanted us to think forward. I think of the Russia policy, for example, which you were intimately involved with. We faced in '93 a Russian democracy fragile, teetering on the brink of either being blown off from the left or from the right. Yeltsin very unstable. And we saw the challenge here was to prop that up. We looked at that

long-term challenge, and I think we applied the same kind of principles to our policy.

So I guess the last point I would make is I think this only works, Leon, if the president wants it to work. The president of the United States gets the policy making process he or she wants and deserves. Policy planning can either be irrelevant, where the policy planners work very hard and the paper goes in the drawer, or too relevant. Sort of Berger's law, which is the sharpness of the policy planner is inversely proportional to how relevant they are; that is the sharper the policy planner, the more he or she gets co-opted into day-to-day policy making. So unless the president says, "I want this." And the national security advisor is tasked with building this into the system, it doesn't have the kind of durability that I think you want to achieve.

Jane Harman:
So on that note, Paul, tell everybody what the Administrative Conference is and what its potential is, perhaps to look at the whole of government and maybe with or without explicit White House participation, help jumpstart some of these ideas.

Paul Verkuil:
Thank you, Jane, for that opportunity. I should say about the Administrative Conference of the United States that it's a small agency, we can't solve all problems, but we've been working very hard looking on the non-security side primarily. You might call this civilian side of government, looking at private agencies and how they behave. We were started actually by President Eisenhower, by an executive order which President Kennedy picked up on, and finally we got statutory status under LBJ. And then we had, unfortunately, the last 15 years before I was nominated and confirmed, we were out of business because of budget problems, but now we're back.

We're 101 people. I'm the one. We're 10 council members appointed by the President, bipartisan, and 90 public members. 50 senior government officials. We represent over 200 agencies of government if you figure out their leverage. And 40 public members who are distinguished citizens, attorneys many times, others who have served in government through many administrations. Again, bipartisan. So the purpose is to let us think through how

we can make government work better. That's what President Obama said when he set us back up. It's a public-private partnership designed to make government work better.

Well, how do we do it? First thing we've tried to do is look agency by agency, at specific problems -- [coughs] excuse me -- and try and solve them first internally, and then do some more dramatically. We meet twice a year and make recommendations voted on by the membership. Some of the areas that I think you will understand, and why I'm so persuaded by some of Leon's thinking, is that the key areas, some of them are very simple, like the Federal Advisory Committee Act, the Paperwork Reduction Act, the FOIA. Other statues that sometime unintentionally inhibit the flow of information. You mentioned briefly the FACA [spelled phonetically] problem. How do you make statutes that are set up in the '70s mostly, when the view of government was you wanted to keep information in, right?

Now that they have been converted, in the PRA for example, the idea is that if government wants something from you it's a problem. So you are restricted, government can't ask questions without getting approval because we're burdening the public. We're now in a period where the more important thing is learning from the public. Information is out there. We don't know what information is out there. We don't know who could benefit from it. This whole notion of, you know, crowdsourcing is a new concept. So we're trying to pick up on new opportunities to break down barriers and send information out. That is the Obama administration's effort, too. They're looked carefully at going back and redoing rules, they've put up regulations.gov, data.gov. They're pushing information out so that people can use it, collaborate, and maybe turn some new ideas back to us. Surprise us. We want sometimes very good surprises. That's one thing.

And then just on our -- there's a wonderful quote I have to read you. We are, you know, silo-based. Agencies are set up in their missions as silos. As a university president, that's how universities operate. It's one of the great frustrations was that, you know, everyone has their department and that's their loyalty. Everyone has their agency and that's their loyalty. But the comptroller general says, "Virtually all the results that federal government wants to achieve require the concerted and

coordinated efforts of two or more agencies." It's impossible to govern based on the silo.

And so one of the things we have pushed at is joint rulemaking. We have an interesting recommendation which looks at pushing agencies to make rules together. One of the great successes is the DOT-EPA rule that just recently came out on fuel efficiency and greenhouse gases. That's a tremendous victory this past year or two. That's because agencies got together. The White House facilitated it. Making agencies think beyond their boundaries is a crucial thing, and that's something we've been working on. MOUs. Making agencies contract with each other, if not with non-profits or other non-government NGOs, to make alliances that will make them more productive. Pushing that out.

Jane Harman:
Thank you. I only have one more question, which I'm sure will amuse all of you, and you won't be surprised. And I want you to think of your questions. I also want to mention to Dave Rejeski, whom I see right there, who's head of our Science and Technology Program at the Wilson Center, that our serious games approach to problem-solving may be very relevant here, and if you agree with me, maybe you would say something about that when we get to the questions.

My other question is about Congress.

[laughter]

Now I know, Leon, that these are ideas that can be executed without Congress. However, Congress is there, up the Hill, it has a 19th century committee structure, a two-year reelection cycle, and a one-year policy cycle, because the second year is getting reelected, and a paradigm where you blame the other side for not solving the problem, rather than work with the other side, because if you worked with the other side they would get some credit, and that's not okay. So flipping that, it's a quick question to all of you, because we need to get to the audience. If Congress could do one thing that would be helpful, helpful to anticipatory governance, what would that be? And we'll do you last, Leon.

Leon Fuerth:
Thank you.

[laughter]

Jane Harman:
Helpful. One thing.

Sandy Berger:
One thing. One-year budgeting. And integration of all the national security agencies under one aggregate budget: Defense, State, AID, forward budgeting so you can actually plan more than one year at a time.

Jane Harman:
And a few committee chairmen might not like that idea.

[laughter]

But thank you. David, one thing.

David Abshire:
Well I'm going to build on yours, because I think the way to get what you ultimately want is first get them to copy for nation security simply what we got on our joint economic committee, where you don't interfere with your hierarchies, but you draw, and you at least began to build a consensus of ideas, and later do something like that. And we did get through the Reform Act of -- let me get my dates straight -- first one it was 1965, and then 1970. Congress does need to reform itself. That's the way we got the Joint Atomic Energy Committee.

Jane Harman.
Thank you. Paul?

Paul Verkuil:
Well I think it's the committee process. DHS has 70 committees, the same amount when they were 22 separate agencies, now they're one. EPA has over 70 committees. I mean, it's --

Jane Harman:
Well the 9/11 Commission recommendation that has not be adopted was for Congress to reform.

Paul Verkuil:
Yeah. Now the one good harbinger here is the Government Results and Performance Act of 2011. Leon's mentioned it

in his paper, and it is Congress saying, "Look, we've got to do performance-based budgeting. We will participate with the executive branch." This is in the office of the president. It looks at agencies, requires them annually to report on their performance standards, it requires them -- it evaluates them, and corrects them, and Congress will participate. If that statue, which is only a year old, can actually be brought to life, a lot of productivity --

Jane Harman:
Well this is your new assignment --

Paul Verkuil:
That's my assignment --

Jane Harman:
The administrative conference --

Paul Verkuil:
I'm taking it on.

[laughter]

Jane Harman:
Leon, one thing.

Leon Fuerth:
Okay. I'm going to take something slightly radical. Justin, was it your class that came up with --

[inaudible commentary]

Leon Fuerth:
Louder.

Male Speaker:
The House Annual Committee [inaudible] --

Leon Fuerth:
Right. I think the Congress needs to set up some special panels that deliberately cut across these categories, and that all have a long-range perspective. I think that one way to make sure that these panels are taken seriously is to give them some leverage over the authorization and appropriation processes. And their mission --

Jane Harman:

Good luck.

[laughter]

Leon Fuerth:
I know that. Anytime you say anything at all about the Congress it's "Good luck."

[laughter]

But that's the gamble we took in agreeing to set up a representative democracy. If it doesn't work, we're cooked. So it's got to work.

Jane Harman:
Okay. Questions. Please identify yourself, ask a brief question, brief, and we'll get a brief answer. If it's for one panel member, just mention who that is. Right here.

[inaudible commentary]

Jane Harman:
Yeah, so we can hear you, see you.

Steve Lande:
Steve Lande, Manchester Trade. Perfect timing, but Jane you always have perfect timing. Two very specific questions. One: President Obama has a proposal to establish something called the Department of Business.

Male Speaker:
Department of what?

Jane Harman:
Business.

Steve Lande:
Department of Business. He wants to take six, 10 agencies. It's being debated; oh, USTR is very important and has to be independent, Finance Committee, Ways And Means Committee. On the other hand it's clear you have to put things together. Second, again, quick example --

Jane Harman:
So the question is what do they think of it?

Steve Lande:

How do you get it done? That's the real problem we're in.

Jane Harman:
Okay.

Steve Lande:
Second question: Africa. Anybody who looks at Africa from afar says, "Boy, China's eating our lunch, we need to have a really tough policy that has U.S. interest." You go to "Oh, we need to help women, we have to fight poverty, we have to change agricultural means --

Jane Harman:
So you're talking about the committee structure in Congress pushing back --

Steve Lande:
Two different things: one is committee and two is how do you deliver the message that national security requires something and we have to put aside some of our more local, parochial interests to get something done. Thank you.

Jane Harman:
Okay. So I think it's more how do we get Congress to put America first? If anyone can solve that we'll declare a recess for the rest of the day.

[laughter]

And the second one is -- I think you were asking: can we do another major consolidation in this government? We've tried this a couple of times with the Homeland Security Department. We also did intelligence reform, which I would argue works pretty well. I mean, three announcements, since I was one of its authors. But at any rate, what do you think?

Sandy Berger:
I think we ought to try to put those agencies together, Steve. We're the only major government in the world that has all of these fractured agencies. 75 percent of the Department of Commerce is Fisheries, NOAA. It doesn't have anything to do necessarily with the function of Commerce. Obviously a problem with Congress, but I think that president has to put this -- people want more streamlined government, they want government to work. That means we're going to have to change government. Put that back in the

face of Congress, who talked about making government work. Make this an issue.

Jane Harman:
Okay. Let's get another question. Let's go over here.

Ann Phillips:
Thank you very much. I'm Ann Phillips. I'm a public policy scholar here at the Wilson Center, and having worked in the government for more than a decade, I certainly endorse everything you've said. Quick question. You highlighted Pearl Harbor and Somalia as two failures, and one thing that I thought, and I'd be interested in your take, but it seems to me that we, in the U.S. government, have gotten away from recruiting and promoting people who are real country and regional experts. We see these problems in very technical ways, and would that be another element in terms of personnel that you think deserves attention? Thank you.

Jane Harman:
Leon?

Leon Fuerth:
In all of the problems that we wound up with in foreign policy, one of the most important events was the entry into the room of somebody whose mind was saturated with knowledge and insight about the particular place that we were dealing with. It almost goes back to the way our schools and universities are organized. It's just dandy that political scientists think that they can reduce human behavior universally through some equations, but it doesn't work. But in the process of asserting the supremacy of numbers over insight, they have squelched insight. And what you need to do is to rebalance that by deliberately bringing in the old hands and the people who know what it smells like, what it sounds like, and how the people on the spot think when you're making policy based otherwise on broad theoretical principles.

Jane Harman:
Unless someone's dying to add to that answer, I want to take more questions. Let's go in the back. Yes.

Jerry Glenn:
Jerry Glenn with Millennium Project. I would like to know from the panel what you will do to get this report accepted

by the president implemented, and what you would recommend to get President Obama to implement it?

Jane Harman:
That's a softball question.

[laughter]

How many of you -- I'm just asking. I'll do a little informal poll. How many of you have this? Did you pick it up? Is it available? How many of you have a positive responsive to this notion of anticipatory government? Whoa, anybody not like it?

Leon Fuerth:
Must have done something wrong.

Jane Harman:
Leon. Let's do this. Let's just go down to answer your question. What is one idea each of you has to bring this to the attention of the Obama transition?

Leon Fuerth:
Dirigible?

Jane Harman:
Did you hear that?

Leon Fuerth:
[laughs] All of you have got networks and contacts of some sort. The best thing you can do is use those networks, create a buzz. If anything, the Obama administration seems to be particularly tuned into what it can pick up from the social media. And you're all plugged into it yourselves. So use it.

[inaudible commentary]

Jane Harman:
Okay and this will be on the Wilson website too. Sandy, any other ideas?

Sandy Berger:
I intend to do that.

Jane Harman:
Sandy? David?

Leon Fuerth:
Some of you have rolodexes, use those.

David Abshire:
In your boss's reinventing government, I got at Proctor and Gamble, and other CEOs into that --

Jane Harman:
This was Al Gore as vice president issued a report on reinventing government in the '90s, that was really very good --

David Abshire:
And I believed in that, I really did. It was an outreach, it was well organized, it took a longer period to get it implemented, but I think that's a good example to look at. That took a commitment to the vice president.

Jane Harman:
And if I remember that had a disk with it. It was one of the first reports that was actually in a technical form. Am I right? I think so.

Leon Fuerth:
That's right, well knowing him you had --

Jane Harman:
Paul.

Paul Verkuil:
There's a re-inventing government alumni in government now. They still meet. It's a wonderful group. They don't have an official role --

Jane Harman:
Well there you go.

Paul Verkuil:
-- but some of the great thinkers in you know in the government who are civil servants, not talking about political people necessarily at all, who are really out there thinking and I think if you could capture that.

Jane Harman:
Is there anybody in that group who's here? Nobody?

Paul Verkuil:
And also the other thing Jane is maybe you and I should go visit the head of OMB or something, and sell this deal.

Jane Harman:
Well...

Paul Verkuil:
If we can.

Leon Fuerth:
Take me with you.

Jane Harman:
Okay. Next question. Let's see, let's go here.

Mary Yates:
Mary Yates. I was at the White House until recently --

Jane Harman:
Wait, wait, wait, wait, wait, wait. Everybody wants to know this.

Mary Yates:
Mary Yates, I was at the White House recently in charge of national security planning and I worked with Leon. I think that -- I agree with everything that's said. I'm here, I read the report, I endorsed it. What I think is important is to find a way so that the administration that gets so very busy and you all know this, see the relevance. We tried very hard to bring foresight into this administration and then the avalanche comes and you get inundated with the crisis of the day. So the examples that are given, I mean someone needs to find more specific examples but looking forward. You know I held an IPC committee about water, water being possibly the next area of conflict. I mean not right now, and we identified any number of water bodies and rivers. But even getting that report up to the deputy's committee was almost mission impossible because I couldn't get it on the schedule because it was such a busy, busy time.

Jane Harman:
It's always a busy time, right?

Mary Yates:
That's right, so --

Jane Harman:
In any administration.

Mary Yates:
But somehow the crisis that we can foresee and then that grabs the attention you know by citing some recent ones and then maybe going forward, something has to help. I mean I'm very encouraged the conference had been re-started under this administration.

Jane Harman:
Okay. I think what we will do is take a few questions together because time is running out and I'm figuring out how I'm going to call on people. Let me -- this says last question but we're going to do like last three questions. So we'll take you since you pointed to the sign and then we will take --

Male Speaker:
Was that the trick?

Jane Harman:
That was the trick. The woman in the back and then we will take this woman in the front row.

Tony Socci:
I have a question for Mr. Firth that I'd thought I'd raise.

Jane Harmon:
Who are you? Identify yourself.

Tony Socci:
Tony Socci [spelled phonetically]. EPA's international branch, climate and energy.

Jane Harman:
Okay.

Tony Sochi:
I have thought about it strikes me that the market system, the producers of goods, produce goods that are really rapid pace and they hit the ground running, so to speak. None of the virtual or not a lot -- except you could pick out instances where there is a lot of virtual leading up to the one the ground presentations. How does that impact your ideas, Leon? I mean in terms of the let's wait until we

bring this on the ground, let's think it through virtually, let's not rush it out there. But you can't do that in a vacuum separate from the market and the way the market runs.

Jane Harman:
Okay. Thank you. Question back here?

Nina Serafino:
Hello, I'm Nina Serafino with the Congressional Research Service. I just want to ask if any of you are acquainted with a Project Horizon --

Male Speaker:
Oh, yes.

Nina Serafino:
-- that was an experiment and wondering then how you see it perhaps fitting in with your model?

Jane Harman:
Okay, and the last question here.

Female Speaker:
So I'm a scholar with the Science and Technology--

Jane Harman:
Speak up a little bit.

Female Speaker:
I'm a scholar with the Science and Technology Innovation program so my question is going to build up on the work of David Rejeski that we just mentioned before.

Jane Harman:
Oh, I forgot.

Female Speaker:
So you presented a really exceptional policy machinery, but you also mentioned acceleration that's visible in all technological domains and you also mentioned young generation which will be the human capital to be used in the future. So my question is how do you improve, adapt, and reform the education system so that much more layers of society can be better at foresight, much more citizens? What are the new means you foresee for people?

Jane Harman:
And before everyone -- I'm not letting Dave Rejeski off the hook, what can the use of serious games which gets the public into playing roles to solve our budget problem or whatever else add to this notion of anticipatory --

Dave Rejeski:
I don't think it's going to solve those problems in Congress Jane.

Jane Harman:
Well okay, so let's forget Congress.

[laughter]

But what about -- let's not forget Congress, let's fix Congress, but what could this add?

Dave Rejeski:
I think when we started doing the work on games 10 years ago we came into it from foresight and the reason it had a lot of the qualities that I think Leon was talking about. I mean it was a wave to get people to move in time, to go back and forth in time, it does it very well. It was a way to get -- games are imbedded in massive networks so you can immediately begin to connect with all kinds of people. Not only do millions of people play them but they interact with each other. So you see -- I would see unintended consequences that are difficult to see if you're just watching small bits of behavior. I think the last thing is they provide constant feedback; they're like a flight simulator. So you can try something and fail and get up and try it again which I think it's very difficult to do that in a political situation because it ends up on the front page of the Post. So I think they have a bunch of qualities that feed directly into a lot of the things that Leon's been talking about in this report.

Jane Harman:
Okay so all of these questions taken together in the thrust of it, we're going to end with Leon. We're basically -- let's go down the row and get some concluding responses to the questions, some concluding observations from each of the panelists. Paul.

Paul Verkuil:

Yes, I think I'd like to focus on the feedback part. Number three on Leon's -- my apology here. Feedback, that is to say, I think the ability to make midcourse corrections if you're an agency, not stuck to your mission until it's no longer relevant, is so crucial. If we could just do one -- if you could take 1 percent of your budget and put it into analysis and metrics and using a device to check your course and then to adjust it, 1 percent would be more than enough. And you could either do it internally or you might prefer to do it by contracting, but just get -- or universities or whatever. Get feedback. That to me is the biggest.

Jane Harman:
David.

David Abshire:
Well I just, I'm a terrific supporter of Dave Rejeski. I think the first this administration has not seized on the IT revolution, which is enormous. But the part of that and the foundation has given some support to this, but with the youth of America, with the world out there, bringing Arabs and Israelis together, it's mind-boggling and all these kids are into it and that ought to be seized but it can be used in this policy-making anticipatory stuff as well.

Jane Harman:
Thank you. Sandy.

Sandy Berger:
Let me focus on just one aspect which is lashing up foresight to policymaking, which is a point you make very emphatically in the report Leon. During the Clinton-Gore administration, Vice President Gore commissioned and you, the intelligence community to identify and calculate the factors that led to fragile states. And environmental, economic, social, and that became a real mission of the intelligence community and generated some really thoughtful analysis which we never really lashed up to policy. So foresight is fine. Foresight without lashing up to the policy process is not terribly useful. One other example is the Arab Spring. Secretary Clinton was in Doha shortly before the Arab Spring, in many ways diagnosed what would happen, and yet that didn't get lashed up to policy, maybe because the options were so miserable. I mean had we actually had a PC or DC saying we know the Arab Spring is coming, what should we do about it? Put more pressure on

Mubarak to reform? We've been doing that for 25 years. So I mean sometimes even when the handwriting is on the wall, you don't come to grips with it because the options in front of you are all very difficult, but I think the point I want to focus on is foresight yes, but foresight then has to be wrapped into a policy-making process.

Jane Harmon:
So, concluding remarks, Leon and answers to these various questions --

Leon Fuerth:
Yes, with respect to the Congress what popped into mind immediately was get rid of the filibuster routine so that the Senate can be restored to its proper function and with that, the entirety of the Congress put in a healthier circumstance. So that would be one step. With respect to some of the other comments about how to bring in the people, the answer is engage the people, I've experimented with it. Philadelphia has model U.N. sessions. They agreed to allow some of their staff to learn about foreign engagement and anticipatory governance and based one of these sessions around it. I went to Philadelphia, the high school kids had very little trouble thinking about long range issues in relation to the issue that they were nominally debating in front of a mock Security Council. It can be taught. We had some experiments run at the local level through the World Affairs Council. It can be taught. It doesn't take even a 15 week graduate course to teach people to think about it. All you have to say is here is how we can loosen up our thinking and especially I think what we need to teach people to do is to explore the interconnections of things so that they will begin to lose the habit of believing that there are one and only one solutions to problems and one and only one course of pre-ordained events. As soon as you lose that sense of inevitability you are open to the kind of debate that the founders had in mind.

Jane Harman:
Well on that note let me say just a couple of things. First of all, this serious games focus that we have here is, I think, very important policy predictor and policy solving tool to get the public into the debate. The Budget Hero 2.0 game that we have had been played across the last four years 1.3 million times. I saw Chris Van Hollen last night, I haven't had a chance to tell you Dave, and he said

when is someone going to show him the game. This is the ranking Democrat on the House Budget Committee and it's catching on; it is a way to get the public into the debate about the fiscal cliff. Getting the public into anticipating what problems are and how to think about them is another piece of what we might do with this so just a thought.

Leon Fuerth:
A moment to recognize two people that I see?

Jane Harman:
Yes but just wait one second. That is number one. Number two, the late great Sidney Harman always used to say that when you select someone as your leader you have to think about how that person would respond to the problems that he or she doesn't know about yet. And a lot of this, you said this Mary, is about you know the inbox just gets full and something happens that was not predicted. That is why at least to me, anticipatory governance matter so much and you can't -- you know there are so many lessons we are going to need to learn about Benghazi or pick the problem du jour, hopefully and not just learn them one time and forget them, but institutionalize them so we don't have a repeat of these things. So I think this is an insurance policy to help any leader who will be too busy to do a better job. I wanted to say that which I thought you'd agree with and I did want to thank the panelists but I want Leon to recognize two people first. Who are they?

Leon Fuerth:
Okay. One of them is Sheila Ronis [spelled phonetically], who is a systems analyst and the head of her own department at her university, which is the first person that came to my attention with detailed analysis about how to build scenario construction into governance and one of the first people to tell you that this is no easy hill to climb. Okay and then Neyla Arnas, my colleague from National Defense University, we ran a series on actionable intelligence, actionable foresight. Again we got into the room, perhaps as many as 200 people in the business and was interesting. It was as if they were trapped in a glass cylinder with thick walls. They are spending their lives producing what we need but the policy makers on the other side of that glass don't hear.

Jane Harman:

Well at the Wilson Center we're into actionable ideas. We've also broken down silos here so if this is a microcosm of the future and of course I think it is, maybe we will get somewhere with this. I want to thank our panelists for sharing their insights and Leon in particular for producing something that we're going to make the bestseller on Amazon, right? Is that what we're going to do? Yes, that's what we're going to do. Thank you.

[applause]

[end of transcript]