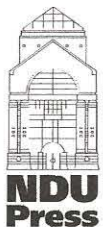


GLOBAL STRATEGIC ASSESSMENT 2009

AMERICA'S SECURITY ROLE IN A CHANGING WORLD

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must continue to develop so that the government can deploy qualified civilians to future state-building operations. The administration must also ensure that the U.S. Armed Forces, and the Army in particular, do not lose all of the lessons about training foreign security forces that they paid such a high price to learn in Iraq. Since this will be a vital mission in many future state-building missions, particularly in postconflict situations, the military must institutionalize this training capacity so that it can be quickly mobilized when future demands emerge.

The administration should also encourage partners and allies to improve their own capacities for state-building operations, especially in areas where they have a comparative advantage. Police training is one such area; many European countries have national police forces that more closely resemble the police forces being rebuilt than does the decentralized policing system in the United States. The administration should also encourage multilateral organizations, including the European Union and the African Union, to develop their own capacities for these missions, so that they can pool the contributions of smaller nations and use them more effectively.

Finally, the administration should engage neighboring states early and often. Neighbors always have direct security interests at stake when they border a weak or failed state, and they will act to further those interests. If they believe that international state-building efforts will help, they can be a positive force for success. If they believe that their interests are threatened, however, they can easily play the role of a spoiler and undermine the efforts of the international community. The challenge for the administration and its partners, then, will be to engage neighbors with adept diplomacy, so that they become constructive supporters of any international state-building efforts.

Rethinking Security Assistance

Security assistance, as a category of foreign aid, has meant many things to many people over the years. To some recipient countries, it has represented a lifeline to help lift them from circumstances of vulnerability, and a bridge that links their military officers with the special organizational culture, prestige, and high standards of the U.S. Armed Forces through military education, training, exercises, and force modernization programs via arms transfer relationships.

Not all observers have viewed U.S. assistance to foreign countries with unabashed enthusiasm. The late Senator Jesse Helms famously termed U.S.

foreign assistance the equivalent of throwing money “down a rat hole.” U.S. programs to train and equip foreign military forces have periodically drawn criticism when the recipient country’s track record for human rights and democratic practices has been found wanting. While many legislators on either side of the political aisle have held more positive views about the purposes and the results of U.S. security assistance, Senator Helms was not alone in his concern that American tax dollars have not always translated into maximum gains for the U.S. national interest when spent assisting foreign countries.

What “measures of effectiveness” for the U.S. security assistance process would satisfy the highest expectations of policy practitioners and their legislative overseers? Reduced to their essence, they are few:

- The intended uses of assistance funds must be likely to benefit the U.S. national interest—indeed, more likely to do so than any alternative use of the funds, including not spending them at all.
- The process of determining funding allocations should capture and reflect the judgments of the most expert and best-informed participants regarding the urgency of need and anticipated effects of these expenditures.
- The resulting worldwide program of assistance should reflect the sensible expectation that, notwithstanding the wisdom embodied in these budget plans, fast-developing circumstances bearing consequences for the U.S. national interest will merit unanticipated resource allocations.

The goal, in sum, is to maximize the prospect that the expenditure of U.S. security assistance funds will translate, on a day-to-day basis and over time, into effective U.S. influence on foreign individuals, societies, governments, events, and trends. Those who believe most strongly in the value of security assistance should be the most anxious that these performance parameters be met, and demonstrably so, the better to assure a broad and reliable congressional constituency for such assistance.

The Current System: Falling Short of Expectations

By these measures, the existing security assistance process must be judged less than satisfactory. Merely to recite the above metrics is to highlight the gap between the status quo and what could and should be. The deficiencies of the system, however, are not a reflection of the quality of individual inputs from

hard-working officials so much as an indictment of a process overloaded by inputs that fails to preserve and capture the best among them. Indeed, for many senior U.S. military, diplomatic, and policymaking practitioners with recent experience in this arena, several conclusions seem unassailable.

First, the civilian and military managers of U.S. foreign relations operating on the frontlines around the world are perennially frustrated by significant revisions that occur well after they have developed and rendered their budget recommendations to Washington. It is true that the President, advised by the Office of Management and Budget, has a leadership role in managing the level of overall Federal expenditures; more often than not, however, explicit budgetary restraint on behalf of the President is exercised at the back end of the process rather than being clearly advertised at the beginning as a planning parameter. For its part, Congress, constitutionally empowered in matters of Federal expenditure, introduces its own significant alterations by earmarking some allocations and changing others without being obliged to explain its actions. While Members of Congress are fully capable of improving upon the best efforts of the executive branch, the absence of transparency can give rise to unfortunate perceptions about the influence exercised by recipient governments on Capitol Hill directly or through lobbyists.

Second, the country-specific security assistance allocations that emerge from final congressional deliberations and are sent each year to the President's desk for signature bear scant resemblance to the collective recommendations made months earlier at the front end of the budget-building process by the most senior empowered U.S. officials at American Embassies or geographic combatant commands around the world. On its face, the disparity in priorities between senior decisionmakers in Washington and their internationally deployed representatives signals some disunity of perspective and effort between the two groups. What many veteran policymakers find symptomatic of a dysfunctional budget process is the absence of dynamic movement year-on-year in traditional security assistance budget accounts. There has been modest movement in most countries' Foreign Military Financing (FMF) and International Military Education and Training allocations, even in the face of strategically momentous world events accompanied by urgent demands from senior professionals in the field for more latitude and scope to deploy these tools of American influence. It is hard to justify the enormous bureaucratic effort expended in develop-

ing country-specific and regional security assistance allocation recommendations when the most urgent of these recommendations—for significant changes in support of priority security goals—are so clearly unlikely to survive all the way to the final product that reaches the President for signature.

Third, security assistance funding has proven time and again inflexible, tied by law to specified countries and programs, and hence unavailable for fast-breaking crises where such a tool would clearly be the policy option of choice. Senior policy officials in Republican and Democratic administrations alike have experienced the same predicament wherein the President seeks to exert immediate political influence on an important situation but finds that the preferred tool—security assistance—cannot be reallocated in the necessary amounts due to legislative earmarks. Very often, Peacekeeping Operations (PKO) funds, which are by design more flexible than FMF, are diverted to the crisis of the moment and thus removed from whatever purposes had been painstakingly planned in coordination with foreign governments, the UN Secretariat, regional multilateral organizations such as the African Union, and others over the preceding 12 to 24 months. Such was the case in 2005 when PKO funds promised and dedicated to a 5-year, G-8–approved Global Peace Operations Initiative to train competent foreign military units on several continents for peacekeeping duty were suddenly reallocated in response to the breaking crisis in Darfur. There are costs to the national interest when the United States develops and codifies formal budget allocations backed by diplomacy, and then abandons a long-declared priority as the price of responding to an unanticipated higher priority.

There are long-term costs to perpetuating a system where the budget development process for security assistance funding is, at best, poorly attuned to the strategic perspectives of the country's leading civil and military operators overseas, not optimized to the realities of policy engagements around the world as they emerge, and therefore not configured to be as potent a tool of real-time political influence as leading U.S. policymakers inevitably want and need. In business terms, this would be the equivalent of losing touch with one's customer; many would agree that U.S. foreign policy needs to pay closer attention to the "market" of international trends, opinions, beliefs, and ideology if it is to retain the mantle of leadership in this century.

A recipient country whose assistance funds have been earmarked by Congress will ignore the voice of the American Ambassador with impunity, comforted

by the certainty that the “check” of U.S. assistance is already “in the mail,” since the by-name country appropriation is written into law. This represents a potentially wasted expenditure, a gift without gratitude, as the funds may not translate into a lever of policy influence for the U.S. Government on a day-to-day basis. American taxpayers are entitled to a system that affords the highest potential political return on their assistance investment. Congress has never been compelled to justify its preservation of earmarks other than the commitments connected to established U.S. strategic equities such as Israel’s peace treaties with Egypt and Jordan.

The paucity of discretionary funds, other than a small emergency account in the hands of every U.S. Ambassador around the world, is another opportunity lost. Washington has an understandable desire to minimize malfeasance by limiting discretionary funds in the hands of government employees abroad; however, this desire becomes unreasonable when junior military officers in Iraq have as much or more cash resources at their discretion to dispense as an engagement tool than highly experienced, Senate-confirmed senior diplomats representing the President of the United States to entire sovereign countries. These latter officials must be trusted and empowered to expend modest discretionary funds on a routine basis to capitalize on politically, culturally, and economically significant opportunities to win goodwill and long-term influence for the United States among foreign populations.

The objective, it bears repeating, is a political outcome—*influence*—without which foreign countries are more likely to act in ways adverse to our national interest. When the American officials that a foreign government or population sees in the field are perceived only as implementers of Washington budget decisions rather than empowered decisionmakers in their own right, this tool of national influence is not being used to maximum effect.

By far the clearest symptom of a security assistance process in distress has been the frequent scramble for funds by the Department of State, on behalf of the President, in response to exigent new circumstances facing the United States. The fact is that urgent scrambles to shift funds from existing budget accounts have occurred repeatedly in response to critical needs since 9/11, and most of the time, ad hoc alternative funding arrangements were necessitated by the absence of reprogrammable State Department funds. When U.S. diplomats and military commanders needed to secure the active

cooperation of countries close to areas of current or prospective hostilities involving American forces, the list of unanticipated and unbudgeted needs was long, from runway improvements on foreign airbases to accommodate U.S. aircraft, to defraying the expenses incurred by host-country military forces facilitating a U.S. combat mission in the vicinity of terrorist strongholds. Many friendly forces needed hot weather gear, weapons and ammunition, and even specialized training as a condition of joining the military coalitions conducting missions in Afghanistan and Iraq.

The chronic inability of existing security assistance authorities and funds under the control of the Secretary of State to service these urgent U.S. national security interests led to the establishment of precedents for the Pentagon to fill the void with its budget resources. Quickly enough, these precedents became workable patterns of funding, and what had begun as ad hoc became the most efficacious budget option, such that the overall trend produced a shift of security assistance program responsibilities away from the Department of State to the Department of Defense (DOD).

This shift in program stewardship was not by design; congressional overseers of State Department appropriations repeatedly warned State officials against the mounting trend even while producing no relief to the conditions that caused it. Time and again in this decade, the Secretary of State’s authorities and responsibilities have not been matched by available resources to address unanticipated, top-priority strategic issues of the day. Time and again, the Secretary of Defense has stepped in to address the need by arranging with his oversight committees the reprogramming of funds from the defense budget to accomplish what had traditionally been State Department functions.

Seven years after 9/11, a host of new DOD security assistance authorities has arisen, some of them under the control of military commanders in the field, some others managed by officials within the Office of the Secretary of Defense. The Secretary of State retains a voice in approving security assistance country allocations for activities that are now essentially DOD programs. Foreign policy authority, predictably, has migrated along with resources, leaving the State Department and its oversight committees comparatively much diminished in their respective roles, and agonizing even more over how to use those authorities and apportion the discretionary resources that remain under their purview.

Many would say, with reason, that the new Pentagon security assistance franchise meets the needs of U.S. foreign policy in a timely, accountable, and effective way. It is also the case that the more ready availability of DOD funding elevates the Pentagon's policy voice with governments around the world seeking cooperation and support—a consequence not necessarily foreseen or intended when these new DOD authorities were created out of wartime necessity. The larger question raised is whether the United States, having placed the policy responsibility for arms transfers and security assistance under the Secretary of State for four decades in stark contrast to many other governments where the military or its parent defense ministry operates unchallenged in such matters of state, should now wish to emulate the model that it has been urging others to change for so many years.

In a further irony, as State's primacy in security assistance management has eroded, the department has simultaneously built up its internal financial management bureaucracy and process, which includes the establishment of the Bureau of Resource Management. There are undoubtedly merits in having one or more seasoned business executives overseeing the organization's budget, as indeed there is merit in any system that seeks to align expenditures with declared national policy goals. The paucity of discretionary resources under State Department management, however, now leads to more time-consuming and hence inefficient reallocation processes when events conspire, as they frequently do, to change the priorities of the day. There are more bureaucratic players contesting decisions over fewer assistance funds.

There is a further disadvantage to having a professional "budget management" cadre in the State Department. Foreign policy officials with advanced skills in many areas of diplomacy are not the primary stewards over the budget resources of the programs for which they are ultimately responsible. Without the clear responsibility to manage assistance resources, some of these officials will try to pull from the system the maximum amount for their areas of operation at every opportunity, rather than weighing tradeoffs and conserving resources with the confidence that saved monies will be available for more important needs later in the budget year. It is worth asking whether this represents the optimal business practice for an enterprise whose unified focus at all times should be on achieving benefits to the national interest far from the Washington Beltway.

Nor are these problems limited to the executive branch. On Capitol Hill, the culture of deference

between Members and particularly committees regarding their respective jurisdictions leads to a set of bureaucratic "seams" much worse than those found in the executive branch. The State Department's authorizing and appropriating committees, who are well versed on arms control and nonproliferation policies as well as human rights concerns, are mindful not to tread on the "turf" of the Armed Services and Defense Appropriations Committees, who alone deliberate on the operational goals and challenges managed by the Secretary of Defense and the combatant commanders. Whereas the top executive branch officials convene regularly to assess intelligence, diplomatic, and military options, from which flow arms transfer and military deployment decisions, each congressional committee handles a subset of the national policy "toolkit," and no more. An administration's focus on achieving counterterrorist and warfighting objectives through the judicious use of tools such as security assistance is therefore informed, and its policy judgments animated, by a far wider azimuth of political-military perspectives than that available to its various congressional overseers.

The U.S. Government's management challenge on security assistance, as with many tools of engagement and influence, is that there are a lot of "cooks in the kitchen." Some of this is by design. One would expect to find independent positions requiring negotiation and compromise between the executive as policy implementer and Congress as the Federal funding authority. Moreover, there is an appropriate tension between the practitioners seeking to use assistance to advance important policy objectives on the one hand, and the budget managers seeking to limit Federal expenditures in service of effectiveness and efficiency objectives on the other hand.

Beyond these structural checks and balances, however, there are distortions that detract from the achievement of optimal outcomes. Authority over resources can be the cause of unhealthy bureaucratic friction between and within departments and agencies. The scarcity of discretionary funds only exacerbates the competition for influence between policy offices and financial management offices. Too often, efforts to maintain secrecy about budget decisions work against the goal of an open, collaborative process that seeks consensus among all stakeholders.

After so many internal iterations and such an expenditure of effort to build an assistance budget in the executive branch, the fact that Congress may take a different view of global strategic priorities and the favor in which certain governments and

leaders should be held reflects constitutional design, and hence should be seen as a strength of the U.S. system. The fact remains, however, that executive branch negotiators will, more often than not, accept these congressional preferences without debate, even at considerable expense to the President's policy priorities; the legislative liaison offices at the State and Defense Departments rarely advise arguing against Congress's wishes and risking programmatic retribution from those authorities with the "power of the purse" over all of their operations. This argues for a more robust and continuous dialogue between the executive and Congress from the outset.

All of the distortions described here in the nearly 2-year cycle from initial plans to eventual disbursement of assistance funds, and the corresponding failure of the process to capitalize on the quality time and effort expended early on by frontline practitioners in the field, may be a cost that the U.S. Government can no longer afford. These assistance accounts, after all, concern U.S. relations with other governments and their military and security sectors. In the 21st century, it is increasingly apparent that the international security environment features multiple actors with growing influence, both good and bad.

A Washington budget process capable of exerting effective influence on the security challenges of this century will do well to begin with a top-level political consensus on the goals to be pursued and the national interests at stake in our success or failure to achieve them. Only on such a foundation can a more efficient, flexible, transparent, and collaborative planning and allocation process be forged, one that, by better defining the national interest, places it further above political or personal consideration.

Living with Coalitions

Just as cooperation between companies in the business world can take many forms, from full-blown joint ventures to short-term cooperative advertising campaigns, so can cooperation between countries. The modes of cooperation that two firms or two governments might choose from time to time depend in part on habit, but also in part on a clear-eyed calculation of what each hopes to achieve from the cooperation, and what it is willing to sacrifice to achieve it.

Companies and countries alike can get into ruts, falling back on forms of behavior that are familiar and comfortable. In a stable, established environment, being proficient at doing the same thing over and over again can serve a company or a country

well. But, in business, the companies that are most successful in rapidly changing sectors are generally those open to breaking old habits and embracing less familiar, more innovative approaches. Again, the same is true of countries.

Coalitions vs. Alliances

The United States has been just as susceptible as any other country to becoming entrenched in habitual approaches to international cooperation. For 150 years, the United States adhered so faithfully to George Washington's declaration that "it is our true policy to steer clear of permanent alliances" that the Nation not only steered clear of permanent alliances but also of any alliances at all, including the temporary emergency alliances that Washington said would be acceptable. Even the dispatch to Europe of the million-strong American Expeditionary Force in World War I was carried out not as an "ally" but as an "associated power."

This sustained refusal to enter into alliances, however, did not mean that the U.S. Armed Forces never worked in concert with foreigners. On the contrary, they frequently operated during this period as part of what we would today call "coalitions of the willing"—with Britain's Royal Navy to suppress piracy in the Caribbean and the slave trade off the coast of West Africa, and with a shifting variety of European powers to protect Western lives and interests during riots and revolutions in places from South America to the Middle East to—most notably—China.

That the United States ultimately abandoned its historic antialliance stance, first for the short-term, emergency purpose of winning World War II and then for the longer term purpose of containing Soviet expansionism, did not mean that President Washington's cautions had been wrong, but rather that circumstances had changed. There were (and still are) sound reasons to steer clear of permanent alliances. They do, as Washington warned, limit freedom of action. They can make it more difficult to sustain good relations with those outside the alliance, even in nonmilitary spheres. They can put one's own peace and prosperity at the mercy of the "ambition, rivalry, interest, humor or caprice" of others, and may, if an ally behaves recklessly, even ensnare a country in a conflict against its own wishes. They are, in a word, "entangling."

These drawbacks were and are just as applicable to the North Atlantic Treaty, ANZUS, and the Rio Pact as to any other permanent alliance. American statesmen entered into these alliances anyway because they recognized the global circumstances that once