



SPECIAL REPORT

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ABOUT THE REPORT

This report presents the highlights of the annual conference of DACOR (Diplomatic and Consular Officers, Retired Association) held at the World Bank in conjunction with the United States Institute of Peace on October 6. The report synthesizes the ideas expressed by the speakers: Chester A. Crocker, Chas. W. Freeman, Jr., Richard Haass, H. Allen Holmes, Edward Marks, Richard H. Solomon, and Anthony Zinni. Patrick M. Cronin, director of research and studies at the U.S. Institute of Peace, drafted this summary.

Adapting to the New National Security Environment

Briefly...

The new administration's signal challenge in international affairs will be to use U.S. primacy to foster a global system that advances freedom, peace, and prosperity for Americans and the world. Foreign and security policy is an unstinting responsibility, and lapses in attention or leadership could bring about new crises.

Several attributes inherited by the new administration may determine the prospects for success. Those attributes include working with an evenly divided Congress and the lingering bitterness resulting from a hotly contested election; America's global pre-eminence but also an international backlash against U.S. leadership; economic strength and a peaceful Western Hemisphere but uncertainties over the endurance of both these trends; peace among the major powers but serious questions about how to build a more stable peace among them; the persistence of regional troublemakers and the continuing proliferation of nuclear, biological, and other weapons; and the challenge of integrating values into effective policies such as criteria for humanitarian intervention and tradeoffs between human rights and traditional security concerns.

One of the first orders of business for the new administration should be to conduct a sweeping review of national security structure and strategy. The current bureaucracy was built on the foundation of the 1947 National Security Act, which created critical institutions such as the National Security Council, the Central Intelligence Agency, and the Department of Defense. It is time to examine anew whether this structure best meets the needs of the nation. At the same time, strategic policy planners in the new administration should attempt to prepare the critical policy guidance that will articulate objectives and priorities and realistically explain how to achieve them.

The recommendations of the U.S. Commission on National Security in the 21st Century should be closely considered in thinking about possible departures in structure and strategy. The three reports of the bipartisan commission are refreshingly comprehensive and offer ideas that could help the United States shape the next phase of history.

Developing and implementing a well-thought-out strategy will be greatly enhanced by reorganizing the existing structures and standard operating procedures. Among the major steps that might be considered are the following:

- re-establish the importance of strategic policy planning capabilities
- strengthen the duties, accountability, and standards of our diplomats and other foreign affairs officials
- improve the quality and resources of our civilian agencies involved in international affairs so they are better prepared for interagency cooperation and enlarge the array of possible

The views expressed in this report do not necessarily reflect those of the United States Institute of Peace, which does not advocate specific policies.

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ABOUT THE INSTITUTE

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- instruments of policy to include better use of public diplomacy and political tools
- clarify the role of the Armed Forces, which are caught between two paradigms—retaining decisive force to win large wars, and providing a reaction force for humanitarian interventions
- incorporate new instruments of policy into the traditional portfolio of military and diplomatic instruments
- cultivate coalitions of the willing and actively tend to them to advance U.S. interests

Introduction

The next administration will find the national security and foreign policy environment challenging, perhaps overwhelming. This is not only because international security is characterized by a confusing mixture of traditional and nontraditional issues, but also because of the absence of an agreed strategy, an antiquated operating system, a weakening of the disciplines of statecraft, and a lack of sufficient resources. These issues were explored by leading experts at the annual conference of the Diplomatic and Consular Officers, Retired Association (DACOR), which was conducted at the World Bank on October 6 with the close cooperation of the United States Institute of Peace. The following report summarizes and synthesizes the highlights.

The New Administration's Inheritance

The new administration will inherit responsibility for the still inchoate post-Cold War world. Analysts emphasize different issues, but collectively they point to at least 10 attributes of that inheritance. Those attributes, in no particular order, include:

- *Sole superpower status*: The United States is the world's preeminent power, a truly global power, and the only coherent center of political, economic, and military strength. Sustained economic growth fuels United States confidence and influence in the world. A sudden or prolonged slowdown in the U.S. economy, however, could significantly transform the orientation of American foreign policy.
- *A divided Congress*: The new president must deal with a Congress in which there is a slender majority in the House of Representatives and a split Senate. A Congress torn in multiple directions, in which the center is weak and special interests too often prevail, is partly a reflection of a distanced population. The next administration will have to lead despite popular indifference, as well as questions about the president's mandate in the wake of a contested election.
- *A peaceful Western Hemisphere*: Notwithstanding Fidel Castro's longevity and the growing narco-insurgency in Colombia, the United States enjoys a largely democratic and peaceful Western Hemisphere. Should the problems of Colombia grow, however, spilling over into other parts of the Andean region, the United States would be far more preoccupied with its own region to the exclusion of further-flung interests.
- *Rising anti-Americanism*: Resentment of the United States, and of globalization that many see as synonymous with the United States, is mounting. This resentment will hinder attempts to erect global trading and financial institutions and implement bold policies, particularly those seen as reflecting American unilateralism or hegemonism.
- *Major power peace*: This remarkable consequence of the Soviet Union's demise endures, at least for the moment. Preventing the reemergence of a peer competitor should be possible in the near-to-mid term, but creating a concert of powers will be far more problematic. Russia is not yet anchored in the West, China's resurgence evokes regional fears, the United States appears ambivalent about partnership with a vibrant Europe, Japan continues to search for its post-World War II role in the world, and India's potential as a major power is only beginning to be realized.

- *The persistence of regional troublemakers:* Despite the demise of some “rogue” regimes, such as that of Slobodan Milosevic, and positive signs emanating from others such as Iran and North Korea, the United States and other key members of the international community will continue to be confronted with rogue regimes—states still undecided about joining the comity of nations. Containing or otherwise dealing with such regimes, while continuing to make progress in formerly troublesome areas, will be a major challenge facing the new administration.
- *The spread of weapons of mass destruction:* Nonproliferation regimes and norms have not halted the spread of increasingly lethal means of warfare, especially nuclear and biological weapons. Not only are these regimes teetering, but also American leadership of nonproliferation regimes is suspect around the world.
- *The challenge of integrating our values into effective policy:* Human rights norms and democratization have taken on increasing importance in U.S. post–Cold War foreign policy, but the United States has yet to devise coherent criteria for humanitarian intervention or to delimit such intervention to solely “humanitarian” purposes. The U.S. government must figure out how to weigh tradeoffs between human rights and more traditional interests.
- *The absence of a comprehensive security agenda:* Even in the midst of traditional concerns, the growing list of transnational and nontraditional concerns provides a host of challenges. Terrorism and political and religious extremism, environmental degradation, international crime and illegal narcotics trafficking, humanitarian disasters, failed states leading to warlordism, disease, and illegal immigration are all part of the new security agenda.
- *An antiquated national security and foreign policy structure:* Based on the 1947 National Security Act, and expanded to meet the needs of the Cold War, the bureaucratic inheritance is not ideally designed to meet the challenges of the 21st century.

The Overriding Challenge

The breadth and scope of challenges facing American global leadership are enormous. The overriding challenge for the next president and his administration is the wise and judicious use of American primacy in global affairs. Foreign and security policy is an unrelenting, 24-hour-a-day job. “Cherry picking” only the most politically attractive issues will not redound to America’s credit, because good leadership requires predictable policies across a full range of issues. Inaction has costs, too, and the United States is too important to stand aside with respect to critical world developments. Moreover, although the president must seek to maximize bipartisan cooperation with Congress, only the White House can instill U.S. foreign policy with the essential coherence and credibility to reassure other nations.

The wise use of American primacy means crafting a new national strategy, restructuring institutions and processes designed for the Cold War, restoring the disciplines and skills of foreign and security policy to the highest level of achievement, and providing our practitioners with adequate resources and support. We also have to bring foreign policy back to the forefront of the public interest. In an era of globalization, the livelihoods of increasing numbers of Americans are affected by world affairs.

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A Comprehensive Strategic Review

The first thing a new president should do is to conduct a comprehensive national security review to establish priorities, bring our national security structure into “sync” with the challenges, and set the appropriate tenor and high standards of the administration’s conduct of foreign and security policy.

In conducting a strategic review, the incoming administration should take stock of what is new and what is enduring. New features include planning for generic rather than

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specific threats; exercising power under conditions of reduced state legitimacy and declining interest in foreign affairs; the increasing role of nongovernmental organizations and “people power” in international security; and the decline in the disciplines of statecraft. What endures is the importance of predictable leadership; natural laws such as power abhorring a vacuum—whether in the Indonesian archipelago or the Fergana Valley—and the consequences of inaction. Denial of change in the world is not an effective policy. It will be far more effective to seize change as an opportunity than to deny it.

A New National Security Act?

Many veteran practitioners wonder whether the United States needs a new National Security Act to supersede the 1947 act. Although there is no single concept that is likely to assume the all-encompassing importance of the former policy of containment, a new administration may want to consider both a new National Security Act and a new national security strategy akin to NSC-68, the policy directive written in 1950 by Paul H. Nitze and the State Department’s Policy Planning Staff to guide the policy of containment.

The 1947 National Security Act, which created our current foreign and security policy bureaucracy (the National Security Council or NSC, the Department of Defense, the Joint Chiefs of Staff, and the Central Intelligence Agency) is more than 50 years old. It was created and modified over five decades of tinkering with one overarching purpose in mind: to contain the Soviet Bloc. Not only does the United States need new guiding principles to replace containment, the bureaucracy also needs a structural overhaul, because form influences content.

The U.S. Commission on National Security in the 21st Century

In conducting a comprehensive review, the next administration need not start from scratch. While there have been numerous official and private reviews since the end of the Cold War, the U.S. Commission on National Security in the 21st Century provides a particularly rich menu of ideas on which to draw. The bipartisan, independent commission was chartered in 1998 to examine the inadequacies of the 1947 National Security Act. Importantly, it is not focused on defense policy narrowly construed as force structure, but more broadly on the structure and process of national security decision-making. The present system is dysfunctional and cannot meet the challenges and opportunities of the coming century, and the commission believes “we can’t get there from here.”

The commission’s first report, “New World Coming,” highlights several global trends. Advances in science and technology are simultaneously making us smarter and dumber (or at least no better able to predict events). Economic globalization is both integrating and fragmenting the world between “have” and “have nots,” “want” and “want nots.” Socio-political trends, such as the rising tide of democracy and market economics, are simultaneously reducing the saliency of sovereignty and stoking nationalism. With respect to military security, we live in an era of inverted deterrence in which the major powers are deterred by rogue regimes resorting to asymmetrical means. At the same time, the security our country has enjoyed seems to be evaporating, and the challenges to it will probably continue to mount.

The commission’s second report, “Seeking a National Strategy,” highlights seven ideas affecting the future direction of U.S. security policy. First, tone matters, and power without wisdom is unworthy. Second, we must do a better job at anticipating challenges. Third, we must integrate nontraditional and traditional elements of power. Fourth, we must retain policy agility. Fifth, we must nurture new mechanisms for dealing with the blurring lines of domestic insecurity and international security. Sixth, we need new means to assess our performance, as well as the ability to adjust based on lessons learned. Finally, we need more coherence between our domestic political debate and our international role and responsibilities.

The commission’s third and final report is due to be delivered to the president-elect’s transition team in December. Recommendations, both explicit and implicit, are likely to fall into four categories. First, the report or commission members will recommend insti-

tutional reform: preserving the important role of the National Security Council staff; suggesting major reorganization of the State Department, to include creating regional political authorities that parallel the military's unified commanders-in-chief; and upgrading the State Department's budget by shifting it from foreign affairs to national security. Second, the report may make recommendations regarding domestic security, to include a new administrative structure headed by an official with Cabinet rank and separate from the Department of Defense. Third, the report will focus on our government's human capital, because good policy requires good people. There is general erosion in the ethos of public service, and both the Foreign Service and the Armed Services are having difficulty in attracting and retaining the "best and brightest." Fourth, the report will underscore the fragility of the defense industrial base. Turning private sector know-how into public goods will be a major challenge in coming years, and one solution may be to create a more flexible career path that allows people to go back and forth between the public and private sectors. Meanwhile, commission members also see the need for a new National Security Education Act in order to shore up the training of American mathematicians, scientists, and engineers, and perhaps also current and future leaders in international affairs.

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Reorganizing for the 21st Century

Assuming we know what we want to do with American primacy, how do we translate our pre-eminence into effective policy? Leadership in the Executive Branch must begin with the president, who should appoint a cohesive and competent Cabinet. The president should also consider the following major steps.

Strengthening Strategic Planning and Interagency Coordination

Although we have learned lessons from humanitarian military interventions of the 1990s—such as the importance of the unity of command and the need for a clear political-military plan—we have stopped short of implementing those lessons. Presidential Decision Directives for managing complex contingency operations have yet to be inculcated and enforced among senior officials in different agencies.

Bedeviling interagency cooperation is the perplexing budgetary challenge of how to get resources when department heads—and not NSC officials—are responsible for funding programs. For instance, even though interagency coordination for counterterrorism is routine, there remains a persistent problem of finding appropriate funds for good ideas. The Defense Department's relative wealth often leads to Defense funding for civilian programs, which in turn erodes interagency trust. A new solution involving the NSC and the Office of Management and Budget (OMB) is needed.

Interagency planning will be critical to determining when and how to intervene in complex contingencies. Clearly interests should be at stake, but the harder question will be how to maximize our strategic weight so that our actions produce a positive and indelible impact.

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Restoring the Disciplines of Diplomacy

As the new administration also revamps the civilian agencies, it should also return to the disciplines of diplomacy. Chief among those disciplines is restoring accountability into our agencies, rewarding operational competence, and recognizing that the search for peace is an all-encompassing, full-time job, like waging war. Policy implementation, not merely pronouncement, should be the measure of our effectiveness. We should not dispense with diplomats but rather restore them by giving them real responsibility. Too often our ambassadors have become mere hoteliers, property managers, and NGO coordinators. Instead, our diplomats should be elite problem solvers

and conflict managers. We also need to level the playing field so that our civilians have the technology and training to sit down and deal effectively in an interagency setting.

Our foreign affairs spending, our non-military instruments of power (our diplomacy, support for international institutions, and foreign aid), have not received the investment and attention we devoted to them after World War II.

Defense-Diplomacy Imbalance

The old aphorism, “millions for defense, not a cent for tribute,” is inappropriate for the current benign environment and globalization. While the nation needs a strong defense, military and non-military instruments of power should not be seen as a zero-sum equation. There is a broad consensus that our civilian capabilities are at risk. Whereas there is a general consensus on the need to adequately fund our defenses, there remains widespread indifference about our investment in foreign affairs spending. At the time the National Security Act was passed in 1947, our defense spending was only double that of foreign affairs spending, a 2:1 ratio. Throughout the Cold War the ratio was 15:1. Now, a decade after the end of the Cold War, the ratio is still 15:1. This is not meant as an assault on defense spending but rather to suggest that our foreign affairs spending, our non-military instruments of power (our diplomacy, support for international institutions, and foreign aid), have not received the investment and attention we devoted to them after World War II.

Giving the Military a Clear Direction

The military is waiting for direction and, in its absence, is filling the void until civilian leaders determine what they want from American global leadership. Our Armed Services are capable but confused from fits-and-starts approaches. We have to decide as a nation what we want to be.

One military role is that of a beacon, a shining example in which we focus on retaining decisive force to fight and win the nation's wars. This force must be ready to deploy to defend our interests from regional rogue regimes and to hedge against the reemergence of a peer competitor.

The second military role is that of a crusader, a change agent and fire brigade operating on the seam between war and civilian disorder. In general, most U.S. military officers prefer the former, for like their British forebears at the end of World War I, they long to “get back to real soldiering.” They tend to see Operations Other Than War as mostly “distractions” to be kept at arm's length.

This is clear: the price of indecision, of not clearly emphasizing one path or the other, without far more funding and political will, is to degrade both capabilities. The military must not be left adrift.

In short, the new administration needs to create a real military strategy, one that gives far more definition to shaping the environment than simply espousing the amorphous term “engagement.” Second, the military must operate within a revamped interagency process in which civilian capabilities are significantly augmented. Third, core competencies should be assigned to each service. Finally, bipartisan political consensus needs to be reached on these issues in order to implement them.

The United States needs to develop its tools for working with people on the ground, not just imposing solutions from afar. We need to further refine our understanding of how to break the obedience of the governed from tyrannies.

Incorporating New Instruments of Policy

Another issue is how to strengthen a broad array of effective policy instruments. Our national security structure is out of sync with the challenges we must contend with. Our military forces are still at the cutting edge of development, and yet classical military power is not central to most tasks imposed on our Armed Forces today. Meanwhile, our civilian assets have been atrophying. Even when our military forces could be part of an effective, long-term approach, the United States is hampered from using them. A good example of this is the effective use of military-to-military relations to

build professional militaries in pivotal countries such as Pakistan and Indonesia, where military education programs are prevented because of concerns over proliferation and human rights issues.

We also need to fully take stock of new or neglected instruments of power. For instance, “people power,” in which massive groups of citizens withdraw their obedience to an illegitimate regime and demonstrate their dissatisfaction through strategic non-violence, can also be part of the solution in regional flashpoints, as recently shown in Belgrade. The United States needs to develop its tools for working with people on the ground, not just imposing solutions from afar. We need to further refine our understanding of how to break the obedience of the governed from tyrannies.

We should also make use of our “soft power” dominance, such as how we allow civil society and the business sector to flourish independently of central government control. There is a multiplicity of challenges in the world today, and the United States should expand its toolkit in order to deal with these challenges through the most appropriate and cost-effective means.

Coalition Building

Internationally, we need to do better at building coalitions by preaching less, listening more, developing a common view of key issues, and sharing credit.

The United States is in a league of its own among the world’s nations. But America’s size and perceived arrogance make even the closest U.S. allies nervous. The French have dubbed us the “hyper power.” We risk resuscitating Russia and China as enemies. We are also at odds with the United Nations. In contrast, our domestic debate over foreign policy tends either to focus on parochial issues or exhibit rank indifference. Neither one is helpful to establishing American leadership. We are the most potent change agent in the world, yet there is so much in the world that we are incapable of coping with, especially alone. How do we build international and regional institutions to assume more of the burdens of creating a durable peace in the 21st century?

There are myriad challenges to building coalitions.

- First, we must not wait until the event is upon us to start building coalitions; instead, we should be diligently developing partners and creating security communities.
- Second, we have to upgrade the political value of coalition partners in the minds of Washington decision-makers in both the White House and the Congress.
- Third, we have to manage the gap between political legitimacy (which coalition partners usually add) and enhanced capability (from which partners sometimes subtract).
- Fourth, we need to restrain our own arrogance, recognizing things we sometimes lack (such as leverage, credibility, or legitimacy) and the consequent need for power sharing. For instance, we should recognize that we needed Canada to help work with Indonesia to encourage the Chinese to be flexible on issues related to stability in the South China Sea. Similarly, we needed a Norwegian nongovernmental organization to assemble Colombian factions to advance a peace process.
- Fifth, we need to know what not to do, such as taking precipitous action without a well-thought-out plan. In Sierra Leone, the British sent 1,000 soldiers in response to a hostage crisis before there was a coherent plan of action or international support.
- Sixth, we also need to help regional organizations help themselves, to share responsibility for regional and global order. In Africa, our Special Forces train future peacekeepers. Our European Command Headquarters facilitates crisis management groups, providing a model to help others organize for successful action. Building regional capabilities is important, and there are times when we will need regional leaders to take the lead (as Australia did in East Timor). But there may also be times when regions require the United States to act. In Rwanda in April 1994, for example, there

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We must not slip out of the habit of global leadership, and providing greater resources can be part of a comprehensive solution.

For more information on this topic, see our web site (www.usip.org), which has an online edition of this report containing links to related web sites, as well as additional material on national security issues.

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was a three-week window and only one military had the capability to respond. Inaction cost up to 900,000 lives.

Providing Adequate Resources

Providing adequate resources means making clear decisions on defense spending so that our treasure is not squandered by wasteful duplication. Providing adequate resources for foreign affairs means not just restructuring but also increasing overall spending. We must not slip out of the habit of global leadership, and providing greater resources can be part of a comprehensive solution.

We also need to be mindful of the next generation of decision-makers. Our students are being shortchanged, and it could put the nation in peril. A new national security education act may be in order: not just for the sciences, technology, and engineering, but also for foreign languages and international affairs. In a global economy, the graduates of universities in traditionally inward-looking regions of the country can no longer escape effects of a global economy.

Providing more resources means by definition developing a closer partnership between the White House and Congress. From doing a better job anticipating challenges and preventing them from becoming full-fledged conflicts, to building regional and international capabilities that can handle challenges on their own in the long-term, so much hinges on a bipartisan consensus between the president and congressional leaders. We need to find ways to create more unity and a stronger center in Congress so that it will not become erratic or be driven by special interests. The White House can only proceed with a coherent foreign policy if there is a basis for trust between the key members of Congress and the administration who are responsible for international affairs and defense policy.

Summary Recommendations

1. The president must establish the strategic direction and tone of foreign policy.
2. The new administration must work to establish a new mindset in which national security is broadened to include diplomacy, military, law enforcement, economics, humanitarian assets, and similar issues.
3. A revamped, effective interagency process requires more centralized strategic planning and the preservation of unity of command in the White House or via vigorous lead agency proxies.
4. The concept of defense readiness should be revised to reflect national security readiness, recognizing that many of the existing operational lines of authority have lost their meaning. For instance, cyber warfare and domestic preparedness against weapons of mass destruction terrorism are two areas where no single department can assume responsibility.
5. The White House must lead, but it must involve both the NSC and OMB because budgets can be the spoiler. A core interagency team must support them.
6. The White House must work with Congress to create a new bipartisan consensus on foreign and national security policy and Congress must evaluate how it can restructure its operations to support a more agile national security and foreign policy.

Finally, the gist of the concern of the conference participants was that change is needed. If we do not change, we risk having our influence diminished by the pace and power of global forces. Moreover, we will have forfeited this opportunity, and we may wake up facing a world far less hospitable than the one we have today.



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