

Innovative
ideas for
global security



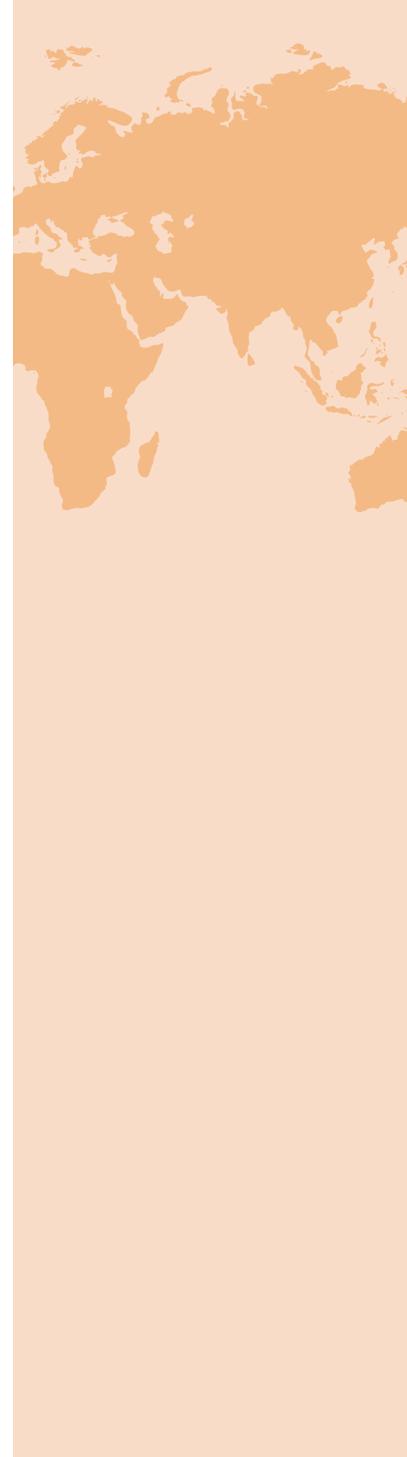
Facing the to-do list



The Obama Administration came into office with the promise of change and now faces the practitioner’s dilemma—where do we start? Stimson, a think tank devoted to nonpartisan research and analysis, presents a set of practical steps the new Administration can act on right away. These memos range from how to right-size the tools of statecraft to dealing with threats of terrorism and nuclear proliferation to getting things right in Iraq and Afghanistan.

Stimson’s community of analysts worked on these recommendations over the past year without knowing who would end up governing the nation. We believe that the new Administration faces global challenges without partisan answers. We also believe success will only come by taking pragmatic steps toward ideal solutions.

Nancy Langer



TRANSNATIONAL THREATS

- 6 Nuclear Proliferation: Avoiding a Pandemic | **Dr. Barry M. Blechman**
- 11 Against All Odds: Preventing Terrorists from Getting Nuclear, Biological, & Chemical Weapons | **Brian Finlay & Dr. Elizabeth Turpen**
- 16 Space: A Code of Conduct | **Michael Krepon**

REGIONAL SECURITY

- 21 Iraq: New Goals, No Illusions | **Ellen Laipson**
- 25 Afghanistan and Pakistan: More Realism Needed to Prevent US Failure | **Amit Pandya**
- 30 Rethinking Northeast Asia | **Alan Romberg**
- 34 US Policy in the Gulf: Resisting the Temptation of One-dimensional Policies | **Emile El-Hokayem**
- 39 China's Falling Growth & US Hopes for Stabilizing the Global Economy: Mind the Gap | **Dr. Richard Cronin**

EFFECTIVE INSTITUTIONS

- 45 Rebalancing the Toolkit: Strengthening the Civilian Instruments of American Statecraft | **Dr. Gordon Adams**
- 50 Peacekeeping Dues and Don'ts: A Checklist for the New President | **Dr. William J. Durch**
- 54 Global Health Security: A Long-Term Prescription | **Dr. Julie E. Fischer**

An Indian soldier at the Taj Mahal Hotel
NOVEMBER 29, 2008



TRANSNATIONAL THREATS

Nuclear Proliferation: Avoiding a Pandemic



Dr. Barry M. Blechman

The Challenge

The international agreements and processes that have kept the number of nuclear-armed nations fairly low are at risk. Over the past ten years, three nations joined the six previously declared nuclear powers and a tenth is in the offing. Unless strong actions are taken during the first 18 months of the new Administration, we could see a world of twenty or even thirty nuclear-armed states by the 2020s. Meeting this challenge requires specific, near-term steps to shore up the current regime plus bold actions to move eventually to a world completely free of nuclear weapons.

The Context

The US and other nations became seriously concerned about nuclear proliferation following China's test of a nuclear device in 1964. In the years that followed, they erected the existing anti-proliferation regime—the Non-Proliferation Treaty (NPT)—its backbone; the Nuclear Suppliers Group to restrict trade in nuclear materials and dual-use items; and its regulatory organization—the International Atomic Energy Agency (IAEA). Today, all three components are in jeopardy.

The Non-Proliferation Treaty has never been accepted universally. Three nuclear weapon states—India, Israel, and Pakistan—are not signatories. The Treaty also has notable flaws, demonstrated by North Korea's swift withdrawal from the Treaty, removal of IAEA safeguards on its civilian nuclear facility, and quick building and testing of a nuclear device. Moreover, after 40 years, the NPT's central tenet, a promise by China, France, UK, US, and the USSR to eventually eliminate their nuclear weapons in exchange for a pledge by all other countries not to seek weapon capabilities, is becoming increasingly difficult to sustain. At the 2000 and 2005 Review Conferences and in a preparatory meeting for the 2010 Conference, the tensions between the two classes of countries were difficult to manage and little, if anything, was accomplished. The Nuclear Suppliers Group, meanwhile, is challenged by the US-India Agreement on Civil Nuclear Cooperation. This agreement requires the US to seek an exception to the NSG rule

prohibiting non-NPT signatory states from trading in nuclear and dual-use materials. Such an exception was granted in September 2008 for the US and India; if accepted by the US Congress, there is little reason to think that additional exceptions might not be granted for, say, Russia and Iran or China and Pakistan.

Finally, the IAEA is relatively weak, poorly resourced, and sometimes ignored. One NPT signatory, Iran, has been cited repeatedly for violating IAEA rules but only after years have sanctions begun to be applied and they appear to be too weak to change Iranian behavior—demonstrating how countries can attain a virtual nuclear weapon status while remaining a signatory of the NPT. A broader problem is that IAEA inspectors can only visit declared nuclear facilities. As of May 30, 2008, the Additional Protocol, which would permit challenge inspections of sites chosen by the IAEA, had not yet been put into effect for most of the NPT signatories, including the United States.

Finally, if proliferation begins to accelerate, countries that are competent in nuclear technologies, but which have refrained from building a weapons program, could well join the bandwagon. These proliferators might include Brazil, South Africa, South Korea, Taiwan, Ukraine, and others.

Where to Start

Re-state the goal of nuclear disarmament at every opportunity

The new President's strong affirmative support for nuclear disarmament will set the stage for success in various negotiations. Emphasizing the disarmament goal in the State of the Union and at other high-profile opportunities will encourage public support.

Bring the Six Nation Talks with North Korea to a successful conclusion

The United States will need China's help to keep the pressure on Pyongyang to fulfill its commitments and to ease concerns about its uranium enrichment program and nuclear exports. It will also need to work with South Korea, Japan, and the Congress to be sure there are sufficient carrots for North Korea to see the benefit of continued cooperation.

Persuade Iran to contain its uranium enrichment program short of a weapons capability

Getting Iran to contain its uranium enrichment program short of a weapons capability is even more important. It requires the US to become a full participant in the talks, not just an interested by-stander, and a promise of simultaneous concessions on our part – not just a partial lifting of sanctions, but also some movement on one or more of the baskets of goodies mentioned in last year's Paris Agreement. Over the longer term, a serious effort to place all nations' nuclear fuel cycles under multinational controls will be essential.

Organize a meeting with Russia early to discuss nuclear matters

In the context of improvements in the US-Russia relationship overall, it may be possible to reach early agreements on:

1. Extension of the START I verification provisions;
2. Modification of the Moscow Treaty to reduce the number of operationally deployed nuclear warheads; and
3. Defining more precisely the rules for counting such weapons.

Moscow will demand as a quid-pro-quo that we agree to forego the planned missile defense site in Eastern Europe, which is a good idea in any event for technical reasons. Over the longer term, the new President should consider more ambitious steps to reduce and eventually eliminate all nuclear weapons, combined with steps to incorporate Russia in any missile defense program.

Begin talks with China

China has resisted a nuclear dialogue for years but perhaps may now be ready to begin informal discussions. The start of talks with China on nuclear issues would ease pressures in Japan to go nuclear.

Prepare for the NPT PrepCon (May 2009) and Review Conference (June 2010)

These conferences require thinking outside traditional lines to come up with bold initiatives that the US and other nuclear weapon states might embrace.

1. One issue is how to break the ten-year impasse in the Committee on Disarmament on a Fissile Material Cut-off Treaty (FMCT). China has linked that issue with discussions of a treaty to prohibit weapons in space. One idea would be to agree to discuss “rules of the road for space operations” in exchange for the beginnings of serious work on FMCT.
2. A second issue is a shift from national fuel cycles to placing all nations’ fuel cycles under multi-national organizations, perhaps public/private partnerships that would control the materials from mining through the removal of spent fuel from power reactors and safeguard them from diversion while in reactors.
3. A third and crucial issue is the possibility of beginning discussions with key nuclear weapon states for a treaty to eliminate all nuclear weapons, from all nations, by a date certain. Nothing would strengthen the hands of the nuclear weapon states at the 2010 NPT Review Conference as much as the announcement that they were beginning such talks.

What's on the Line

The world has been spared the detonation of a nuclear device in anger for more than 60 years. It's not clear that this remarkable restraint can be sustained indefinitely, particularly in the event of wide-spread proliferation. The East-West conflict during the Cold War was an abstract, ideological struggle. Even then, we came perilously close to nuclear exchanges during the Berlin Crises in the 1950s, the Cuba Crisis in 1962, and at several other times. If nuclear weapons come into the hands of nations with histories of hatred and warfare and on-going disputes, deterrence becomes a far more risky proposition and the likelihood of nuclear warfare far greater. Just think of nuclear weapons in the hands of Israel and Iran in the context of a war between Israel and Hezbollah and Syria in Lebanon. Alternatively, think how unstable Northeast Asia might become if China, Japan, Korea, and Russia all have nuclear weapons. Moreover, every additional nuclear weapon state means a greater risk that nuclear devices come into the hands of terrorist organizations. America's security depends on the new Administration placing the highest priority on reining in the nuclear danger.



Dr. Barry M. Blechman

Dr. Barry M. Blechman is the co-founder of the Henry L. Stimson Center and a Stimson Distinguished Fellow focused on nuclear disarmament. He was also the founder and president of DFI International Inc., a research and consulting company in Washington, DC, until its sale in 2007.

Dr. Blechman has more than forty years of distinguished service in the national security field. An expert on political/military policies, military strategy, and defense budgets and industries, he has worked in the Departments of State and Defense and at the Office of Management and Budget, and is a frequent consultant to the US Government on a wide range of subjects. Among other boards and commissions, Dr. Blechman served on the Commission to Assess the Ballistic Missile Threat to the United States (1998-1999), the Defense Policy Board (2002-06), and the Mayor's Bioterrorism Preparedness and Response Program Advisory Committee in the District of Columbia (2004-06). He is currently a member of the Department of State Advisory Committee on Transformational Diplomacy. A Georgetown PhD in international relations, Dr. Blechman has written extensively on national security issues and has taught at several universities.

Additional Analysis

For additional original research on American foreign policy, please read the following Stimson publications by Dr. Blechman:

- *“Weapons of Mass Destruction: A New Paradigm for a New Century”* (Stimson Center, 2000)
- *“Defining Moment: The Threat and Use of Force in American Foreign Policy Since 1989”* (Stimson Center, 1998)
- *“The Partnership Imperative: Maintaining American Leadership in a New Era”* (Stimson Center, 1997)
- *“The American Military in the Twenty-First Century”* (Stimson Center, 1993)

Against All Odds: Preventing Terrorists from Getting Nuclear, Biological, & Chemical Weapons

Brian Finlay & Dr. Elizabeth Turpen



The Challenge

A weapon of mass destruction (WMD) in the hands of a terrorist poses a grave threat to the security of the United States. The report of the bi-partisan Commission on the Prevention of WMD Proliferation and Terrorism concluded that without immediate, decisive action, there exists a better than even chance that a nuclear or other weapon of mass destruction will be used within the next five years.

The Context

Since the end of the Cold War, no national security investment has been more cost effective or shown more tangible results in preventing proliferation than the suite of cooperative nonproliferation (CNP) initiatives encompassing the Cooperative Threat Reduction (CTR) program at the Pentagon and the nonproliferation programs at the Departments of Energy and State. Since 1995, more than 330 metric tons of highly enriched uranium—enough to fashion approximately 13,500 nuclear warheads—have been permanently transformed into fuel for use in civilian power plants across the United States. As of September 30, 2007, the US has secured 64 Russian nuclear warhead sites and 193 Russian buildings that contain nuclear weapons-usable material, while approximately 4,400 former Soviet WMD scientists, technicians, and engineers have found peaceful, non-weapons work in the private sector.

Despite these notable successes, a survey of over fifteen years of CNP operation suggests that progress has been stymied by a series of practical, political and bureaucratic obstacles to effective implementation. But these problems can be resolved and our tools applied more effectively to reduce the likelihood that nuclear, biological and chemical weapons, materials and expertise will fall into terrorist hands. The new Administration and Congress should invest the necessary political, capital and financial resources to ensure optimum performance to prevent a nuclear 9/11. Critical to success will be innovative new approaches that address the changing nature of proliferation resulting from, *inter alia*, globalization, the nuclear renaissance, and the biotechnology revolution.



Where to Start

Despite their front-line importance in preventing the spread of nuclear, biological and chemical weapons, materials, and expertise, US cooperative nonproliferation programs have not realized their full potential. Bureaucratic obstacles, a sustained lack of White House attention, and enduring vestiges of Cold War suspicion with Russia—the source of the lion's share of potentially “loose” weapons, materials and knowledge—have hampered success. Getting the US agencies and budgetary resources aligned to more effectively achieve US priorities is crucial:

Spearhead a comprehensive reassessment of proliferation threats and program objectives with the intent to achieve specific priorities more quickly and cost effectively

The President should appoint a single, high-level National Security Council official to coordinate a comprehensive interagency reassessment of global proliferation threats and government-wide program responses.

The original cooperative nonproliferation programs were conceived and launched in the early years following the unanticipated collapse of the Soviet Union. Today, despite radically different circumstances in Russia and the other former Soviet states, and a dramatically different context for the programs, a comprehensive reassessment has not been undertaken to ensure efficiency and effectiveness *vis à vis* other government programming. Not only is there a need to reevaluate the original patchwork of nonproliferation programs to make sure they are still relevant, such a reassessment should include all other major programs established at the Department of Homeland Security, USAID and elsewhere after September 11 to address the more diffuse scope of terrorist threats worldwide.

Incorporate development assistance into the toolkit being applied for effective and sustainable implementation of UN Security Council Resolutions 1373 (counterterrorism) and 1540 (counterproliferation)

A clear-eyed assessment is needed to ensure that states do not knowingly or unwittingly contribute to proliferation due to insufficient financial controls, inadequate border security, nonexistent or anachronistic export controls, and the like.

A comprehensive counterterrorism and counterproliferation strategy requires leveraging potential synergies between development and security assistance to achieve necessary minimal standards of technology governance worldwide, including the rule of law. Whereas proliferation has traditionally been addressed by access controls, safeguards, guards, guns, and gates, globalization necessitates a more nuanced and coherent approach that addresses the nexus of technology diffusion and catastrophic terrorism that appeals to the vested self-interests of all countries. Here, the United Nations could play a central role in bridging the North-South and security-development divides that would pay dividends for all actors and interests.

Recognize that sustainability of nonproliferation assistance efforts hinges on achieving “local ownership”

The unwillingness of some states of the former Soviet Union to sustain US nonproliferation investments as American funding ends points to the challenges fomented by the failure to foster buy-in from host countries. Without nurturing local demand and building enduring trust within host countries, much of the past investment by the US may be squandered. An innovative approach to cooperative nonproliferation in Russia and around the world would give the US government a unique means by which to use security assistance to meet mutually desirable objectives in countries of proliferation concern. Because WMD nonproliferation is not an immediate priority for most states, the agenda will only garner the necessary local ownership when the assistance is seen as contributing to the social and economic priorities of the host states. If leveraged appropriately, the programs could yield mutually beneficial cooperation on both nonproliferation and global development—but only if approached as a long-term investment in a shared future.

Better coordinate existing US nonproliferation programs to achieve continuity and coherence

The Departments of Defense, Energy and State all suffer under significant programmatic impediments resulting from unclear lines of authority among agencies or discontinuities in the overall interagency process. The lack of a focal point within the government to assess priorities, allocate budgets, and delegate authority across multiple government agencies hampers our ability to prevent terrorist acquisition of WMD. Congress has mandated a nonproliferation czar to provide strategic coordination, but this solution can only achieve the desired outcomes by fashioning a comprehensive strategy through the reassessment outlined above and by bolstering existing capacities to ensure continued coordination among agencies. A new tripartite structure involving the designated “czar” (or senior National Security Council official), Office of Management and Budget and the Department of State should be created to settle disputes, ensure budgetary prioritization and enhance information-sharing and coordination.

Work with Congress to clear unnecessary program restrictions and take appropriate action to provide nonproliferation program managers with the tools needed to succeed

Over time, the US Congress has applied rigorous reporting requirements and fenced appropriations in order to ensure oversight of the nonproliferation programs. As new realities emerged, new requirements were added, but in many cases, outmoded requirements were not lifted, saddling program managers with an overly restrictive operating environment, unable to adjust to unforeseen circumstances. Remedies should include granting broad “notwithstanding authority,” streamlining the reporting processes, aligning newly defined priorities with appropriate budgetary allocations, and ensuring adequate personnel capacity within the three departments.

What's on the Line

Despite considerable fears to the contrary, apocalyptic forecasts during the Cold War era about the spread of WMD around the globe have proven largely hollow. Beyond the five original nuclear powers, currently only four other states are thought to have an offensive nuclear capability. Many more are suspected of harboring offensive biological weapons programs. Despite this, no terrorist organization is known to possess a nuclear weapon or a viable offensive biological capability—despite incontrovertible evidence that these capabilities are being sought.

Historically, governments have been largely successful in preventing the dispersal of critical materials, technology and know-how to bad actors through technology denial agreements and efforts. Today, however, the forces of globalization—privatization, technological innovation, the ease of international communications and transport, free trade, the rise of catastrophic terrorist organizations, and the advent of a borderless “virtual world”—have collided with the end of the Cold War to challenge the viability of traditional nonproliferation policies. A new approach is needed.

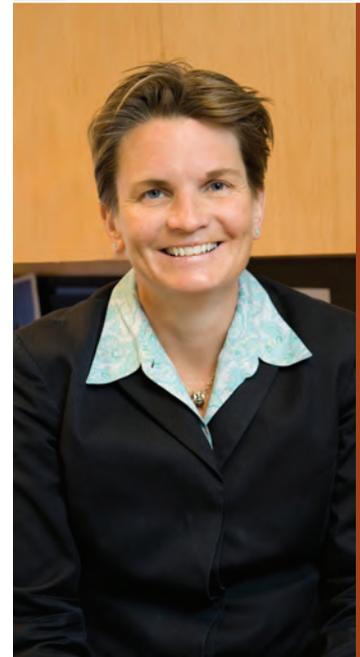
Brian Finlay

Prior to joining the Stimson Center in January 2005, Brian served as Director of the Threat Reduction Initiative, a Senior Researcher at the Brookings Institution, and a Program Officer at the Century Foundation. Before emigrating from Canada, he was a Project Manager for the Laboratory Center for Disease Control in Ottawa. He has also served as a consultant to Foreign Affairs Canada, where he worked on the Ottawa Treaty on Landmines and the Comprehensive Nuclear Test Ban Treaty. He holds an MA from the Norman Patterson School of International Affairs at Carleton University, a Graduate Diploma from the School of Advanced International Studies, Johns Hopkins University, and an Honors BA from the University of Western Ontario. He sits on the Board of Directors of iMMAP, a pioneering organization leading the way forward in the effective use of information management practices in the service of humanitarian relief and development.



Dr. Elizabeth Turpen

Dr. Elizabeth Turpen brings Senate experience and a background in national security, nuclear weapons and nonproliferation issues to the Center. Dr. Turpen's previous employment was with Senator Pete V. Domenici (R-NM) as a legislative assistant responsible for defense, nonproliferation and foreign affairs. Prior to coming to Washington in 1998, she was a consultant on nonproliferation policy, US-Russia programs, and the national security implications of technological advances for a high tech company. Dr. Turpen has taught at Georgetown University, and has extensive teaching and lecturing experience. She holds a PhD from the Fletcher School of Law and Diplomacy at Tufts University and a BA from the University of New Mexico.



Additional Analysis

For additional original research from the Cooperative Nonproliferation program, please read the following publications:

- “*Nuclear Terrorism: US Policies to Reduce the Threat of Nuclear Terror*” (Partnership for a Secure America, 2008)
- “*Old Plagues, New Threats: The Biotech Revolution and its Impact on National Security*” (Stimson Center, 2008)
- “*Cooperative Nonproliferation: Getting Further, Faster*” (Stimson Center, 2007)
- “*25 Steps to Preventing Nuclear Terror: A Guide for Policymakers*” (Stimson Center, 2007)

Space: A Code of Conduct



Michael Krepon

The Challenge

Satellites are indispensable and vulnerable. Satellites perform essential military functions, for example, early warning of missile launches, providing intelligence to monitor compliance with treaties, and guiding weapons to their targets. They help many countries, rich and poor, to manage and develop their natural resources and provide early warning of disastrous storms. They are essential for communication and global commerce. If satellites were to fail the result could be catastrophic. Anti-satellite weapons have been tested recently by China and the United States, and many military technologies can be adapted to harm satellites. The challenge we face is how to best assure that US satellites will remain available to advance US national and economic security.

The Context

The military potential of satellites was evident at the very dawn of the space age, with the launch of Sputnik in 1957, and became widely evident to military establishments during the first US war against Saddam Hussein. Many strategists have presumed that space would not just be used for military purposes, but that it would actually become “weaponized.” The distinction is crucial: satellites have long served military purposes, but space has not yet become another domain where weapons are deployed that could be used to decide the outcome of battles. There were good reasons in the past why efforts to weaponize space failed to gain traction. During the Cold War, if one superpower decided to attack the other’s satellites, it could expect a devastating response, perhaps by nuclear weapons that relied on satellites. Now that the Cold War is over, some in the United States wish to test and deploy space weapons because of American military superiority and our significant dependency on satellites. One way for weaker powers to fight the United States asymmetrically is to attack US satellites on which American forces depend.

China and the United States tested destructive anti-satellite weapons in 2007 and 2008. China and Russia have tabled a draft treaty banning space weapons, which the Bush Administration has opposed. The forum where multilateral treaties are negotiated, the 65-nation Conference on Disarmament in Geneva, requires consensus and has been tied up in knots for over a decade. The only prior attempt to negotiate a superpower ban on space weapons, during the Carter Administration, failed because of difficulties in defining and verifying space weapons.

Where to Start

The US Army, Navy and Air Force all abide by codes of conduct when operating in close proximity to Russian forces. These “rules of the road” were established in executive agreements. (The Incidents at Sea Agreement (1972) and the Dangerous Military Practices Agreement (1989)). A comparable code of conduct for responsible space-faring nations could reinforce international norms against interfering with satellites

Executive agreements can be bilateral or multilateral. Only rarely are they voted on, with passage requiring simple majorities, in the House and the Senate—the first strategic arms control agreement in 1972 was an executive agreement. There are no more than a dozen major space-faring nations that can launch their own satellites. If most or all of these nations could agree on a code of conduct, they would strengthen international norms and make it less likely that outliers will act otherwise. If the Conference on Disarmament continues to be deadlocked, the United States could initiate negotiations among major space-faring nations to establish rules of the road. One key element of a code of conduct would be a pledge not to engage in harmful interference against space objects.

Diplomatic initiatives are only part of the answer to the dilemma of satellite vulnerability and indispensability. Sound military initiatives can also reduce satellite vulnerability

In the past, the United States has relied heavily on a few, hugely expensive intelligence-gathering satellites. It makes good sense to put more eggs in more baskets, even if individual satellites have less capability than very expensive satellites. Marginal improvements can also be made to protect against some threats, such as jamming. But even with these initiatives, satellites will remain vulnerable to attack. Because the consequences of satellite warfare between major powers are so uncertain and dangerous, no satellites have been attacked in crises or in combat. A combination of diplomatic and defensive military measures can extend this record.

Propose a moratorium on further ASAT testing. A moratorium on new anti-satellite tests, whose extension is conditional on the absence of ASAT tests by other nations, can also help strengthen international norms against dangerous military practices in space

ASAT tests have been very infrequent, especially tests that blow up satellites and create lethal fields of space debris. The Reagan Administration carried out a destructive ASAT test in 1985, followed by the Chinese test in 2007, and the Bush Administration’s ASAT test in 2008. ASAT tests are the most visible piece of space warfare research and development programs. Since all space-faring nations stand to lose if satellites are targeted in crises and warfare, a moratorium on using satellites as target practice makes good sense. If another nation breaks this moratorium, the United States has the option of following suit. Because a number of weapon systems could be used to harm satellites, such as certain ballistic missiles and missile defense interceptors, the United States and other major space-faring nations already have the means to harm satellites if this Pandora’s Box is opened. Deterrence capabilities can serve as the backup to a moratorium on further ASAT tests.

What's on the Line

Because of the recent Chinese and US ASAT tests, other space-faring nations are likely to accelerate hedging strategies in the event of warfare in space. The continued flight testing of ASATs and their possible use will decrease space assurance—that is, that crucial satellites will be available when US presidents, military forces, businesses, and citizens need to use them. Increased diplomatic efforts by the United States, together with more substantial measures that make it less likely that satellites can be “grounded” will increase space assurance. A treaty banning all conceivable space weapons is a bridge too far. A code of conduct can be concluded in the near term, and can increase space assurance.

Michael Krepon

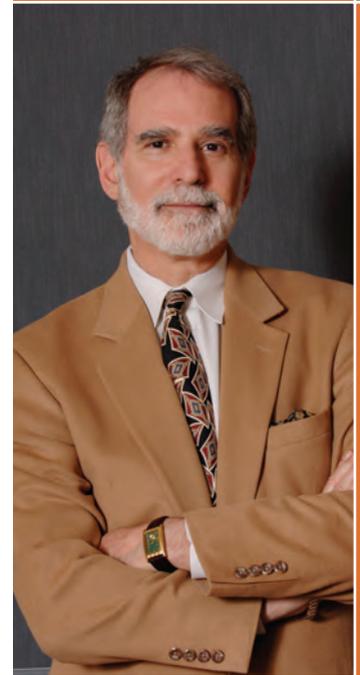
Michael Krepon is co-founder of the Stimson Center and the author or editor of thirteen books and over 350 articles. Prior to co-founding the Stimson Center, Krepon worked at the Carnegie Endowment for International Peace, the US Arms Control and Disarmament Agency during the Carter Administration, and in the US House of Representatives, assisting Congressman Norm Dicks. He received a MA from the School of Advanced International Studies, Johns Hopkins University and a BA from Franklin & Marshall College. He also studied Arabic at the American University in Cairo, Egypt.

Krepon divides his time between Stimson's South Asia and Space Security projects. The South Asia project concentrates on escalation control, nuclear risk reduction, confidence-building, and peace-making between India and Pakistan. The Space Security project seeks to promote a code of Conduct for responsible space-faring nations and works toward stronger international norms for the peaceful uses of outer space.

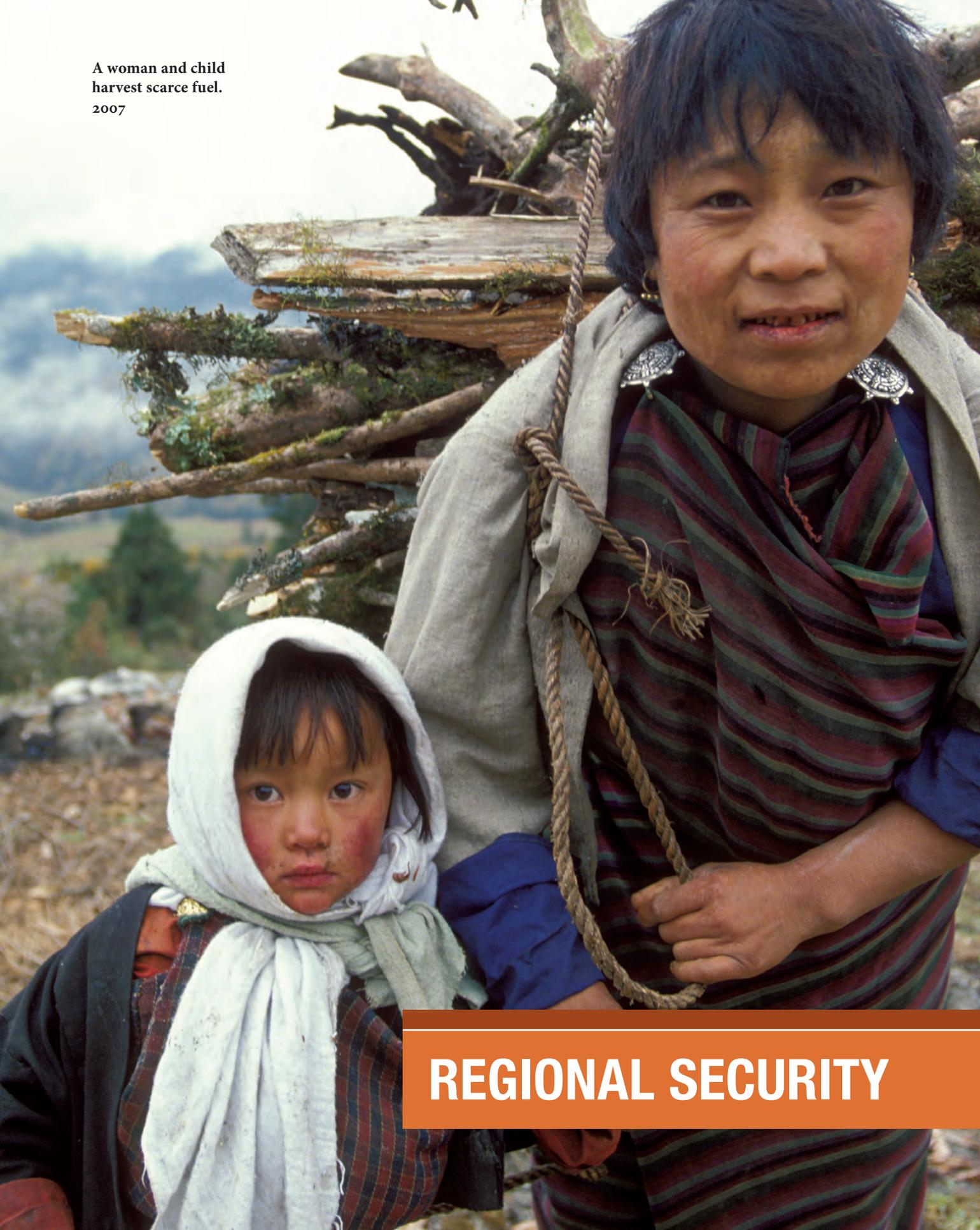
Additional Analysis

For additional original research on space security from Michael Krepon, please read these publications:

- *"Better Safe than Sorry: The Ironies of Living with the Bomb"* (Stanford University Press, 2009)
- *"Escalation Control and the Nuclear Option in South Asia"* (Stimson Center, 2004)
- *"Nuclear Risk Reduction in South Asia "* (Palgrave, 2004)
- *"Space Assurance or Space Dominance: The Case Against Weaponizing Space"* (Stimson Center, 2003)



A woman and child
harvest scarce fuel.
2007



REGIONAL SECURITY

Iraq: New Goals, No Illusions

Ellen Laipson

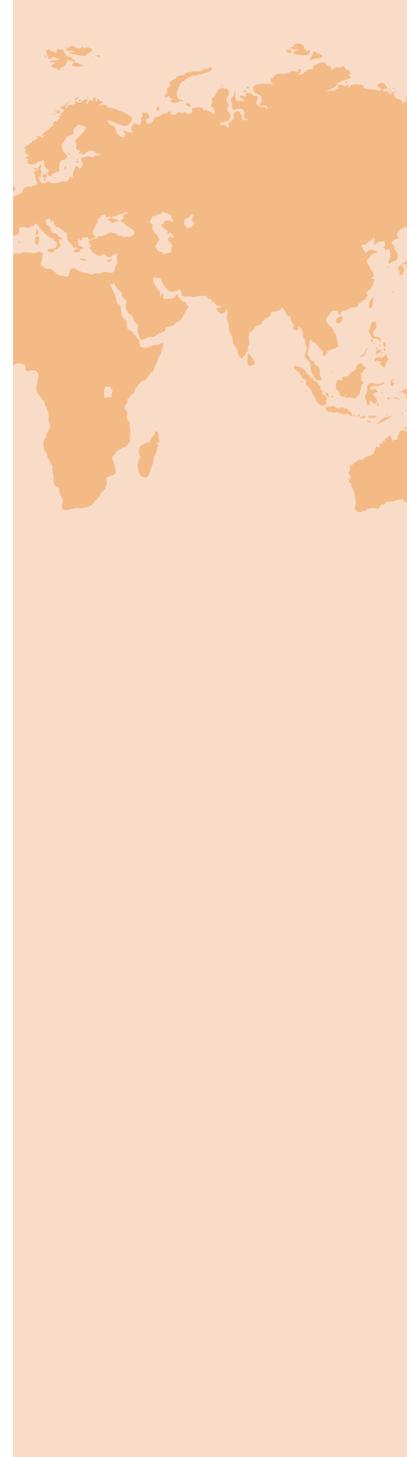


The Challenge

It is time to recalibrate America's equities and engagement in Iraq, and to focus on new goals that bring this relationship into a more sustainable framework. After focusing almost exclusively on security and the hand-off to reconstituted Iraqi security forces, it is time to attend to the broader political aspects of the relationship. Where do we want US-Iraq relations to be in five years? Where does Iraq fit in America's strategic interests and agenda in the region? How can the United States set a new course that promotes stability in the region and liberates US policy from being too closely tied to Iraqi behavior?

The Context

While not abandoning our commitment to help Iraq achieve stability, the United States needs to integrate its efforts in Iraq into a broader policy toward the Middle East that promotes pragmatic relationships in a region still rife with turmoil and mistrust. We can no longer be involved in or responsible for everything that happens in Iraq. We also should learn from the history of American partnerships in the region. Efforts to build and sustain special relationships with countries in the Middle East do not always produce the intended results. In the 1970s the US embraced Iran; in the 1980s and 90s the partner of choice was Egypt. In both cases, US policymakers believed that US support would enhance their leadership in the region and their roles as models of modernity and peaceful engagement. But the domestic, regional, and international context can change, and the historic bargain can become obsolete. The US should avoid a "special relationship" with Iraq and recognize that US and Iraqi interests and policies will diverge on many issues.



Where to Start

Launch a policy planning exercise intended to disentangle everyday events in Iraq from longer-term US policy

US policy will not determine outcomes in Iraq; events there will be determined by powerful currents within Iraqi society. **The new Administration must set its strategic goals in the region independently of how Iraq's political dramas play out.** The current positive trend in Iraqi security cannot be taken for granted. Iraq will almost certainly experience continued political violence as it struggles to strengthen new national institutions and to implement federalism, but a new US policy should be driven more by our regional goals and priorities than by worst-case scenarios of violence and instability in Iraq.

Address and manage public perceptions of failure for US foreign policy

The President will want to assert the positive aspects of a new approach, and to manage public perceptions of failure. He will need to deal with Middle Eastern and other international reactions—possible charges of abandonment and betrayal, and contradictory and paradoxical worries about American weakness. It will be important to counter any concerns about US withdrawal from the region with signs of new activism and attention from the civilian side, and a desire to listen and learn from regional players.

Solicit ideas from diverse American constituencies and invite Iraqi and other regional input in an effort to manage the politics of a policy shift on Iraq

The goal is to breathe some fresh air into US Iraq policy, with openness to new approaches and a willingness to reconfigure our engagement and presence there, to reach a more normal state of affairs with Iraq, a country that has not been and is not likely to be a close ally of the US. Support of activities related to training journalists, working with political parties, facilitating access to the US market for new Iraqi entrepreneurs, providing scholarships to worthy Iraqi students, etc., will show continued US interest and support for Iraq's emerging democracy, but on a more realistic scale than the exceptional period of 2003-2008.

Provide strong financial support and subtle leadership for the ongoing international presence in Iraq

The international community will have its role in responding to Iraqi humanitarian, peacebuilding and reconstruction needs as this policy is executed, and can bring needed legitimacy to the change. International actors may find that a reduced American presence creates a more congenial space in which impartial international operations can proceed. The United Nations will play an increasingly prominent role, particularly on issues such as elections, a planned referendum on Kirkuk, and refugees and other humanitarian issues. The US should show strong political and financial support for their work. We should also not expect the international community to take on an important security function, unless carefully negotiated with Baghdad.

Re-evaluate US expenditures in Iraq against other policy requirements

In light of US economic and budgetary strains, it is incumbent on the United States to review its financial expenditures in Iraq and the ongoing costs of US deployments and civilian activities. Downsizing the overall civilian presence, managing the optics of the huge US embassy compound, and adjusting the purposes of our aid and reconstruction programs are warranted. This will also enable the President to focus on the current and future needs of returning vets, and provide support to their medical, education and employment requirements.

Iraq spending needs to be reintegrated into our established budgetary systems to bring it back to scale, provide normal oversight, and prevent misuse and corruption—one of the sad legacies of our aid relationship since 2003. The United States made an early commitment of \$18 billion in reconstruction funds to Iraq, which was roughly the same amount as total US aid to the rest of the world in 2004. With about 150,000 troops, 35,000 private security contractors, and 180,000 contractors for reconstruction, support to the military, and other purposes, US presence in Iraq dwarfs our footprint in any major alliance relationship. Given Iraq's oil revenues and budget reserves and the need for Iraq to set its own spending and reconstruction priorities, the new Administration will want to consider serious restructuring and downsizing of the aid presence in Baghdad.

What's on the Line

Upcoming elections in Iraq in 2009 present an opportunity for a policy shift. Iraq is slowly emerging from its authoritarian history into a more representative and open system, albeit with many uncertainties in store. The US has a chance to revalidate its global leadership role through a transition to a more normal relationship with Iraq that allows for a positive and constructive engagement with an emerging civil society and an evolving political system. Changing course too dramatically will hurt both US interests and the stability of Iraq. There is, however, a responsible path that allows us to reduce our outsized presence in Iraq and to refocus some of Washington's attention and resources to the denouement of this difficult period, with special focus on caring for returning vets and their medical and employment needs.

Note: this report is drawn in part from a paper published by The Century Foundation in May 2008 entitled "America and the Emerging Iraqi Reality: New Goals, No Illusions."

Ellen Laipson



Ellen Laipson joined the Center in 2002 after nearly 25 years of government service. Key positions included Vice Chair of the National Intelligence Council (NIC) (1997-2002) and Special Assistant to the US Permanent Representative to the United Nations (1995-97). At the NIC, Laipson co-managed the interdisciplinary study *Global Trends 2015* and directed the NIC's outreach to think tanks and research organizations on a wide range of national security topics.

Her earlier government career focused on analysis and policymaking on Middle East and South Asian issues. She was the Director for Near East and South Asian Affairs for the National Security Council (1993-95), National Intelligence Officer for Near and South Asia (1990-93), a member of the State Department's policy planning staff (1986-87), and a specialist in Middle East Affairs for the Congressional Research Service.

At the Center, Laipson directs the Southwest Asia project, which focuses on a range of security issues in the Gulf region. Laipson is a frequent speaker on Middle East issues and on US foreign policy and global trends. She is a member of the Council on Foreign Relations, the International Institute of Strategic Studies, the Middle East Institute, and the Middle East Studies Association. In 2003, she joined the boards of the Asia Foundation and the Education and Employment Foundation. Laipson has an MA from the School of Advanced International Studies, Johns Hopkins University and an AB from Cornell University.

Additional Analysis

For additional original research on the Middle East, please read the following publications by Ms. Laipson:

- *"Prospects for Middle East Security-Sector Reform"* (Survival, 2007)
- *"Iraqi Kurds and Iraq's Future"* (Middle East Policy, 2006)
- *Improving the Interagency Process to Face 21st Century Security Challenges* (2005)
- *"Security Sector Reform: the Final Frontier?"* (Arab Reform Bulletin, 2005)
- *"Relating to the Muslim World: Maybe Less is More"* (Hoover Institution Press, 2004)
- *"Syria: Can the Myth Be Maintained Without Nukes?"* (Brookings Institution Press, 2004)

Afghanistan and Pakistan: More Realism Needed to Prevent US Failure

Amit Pandya



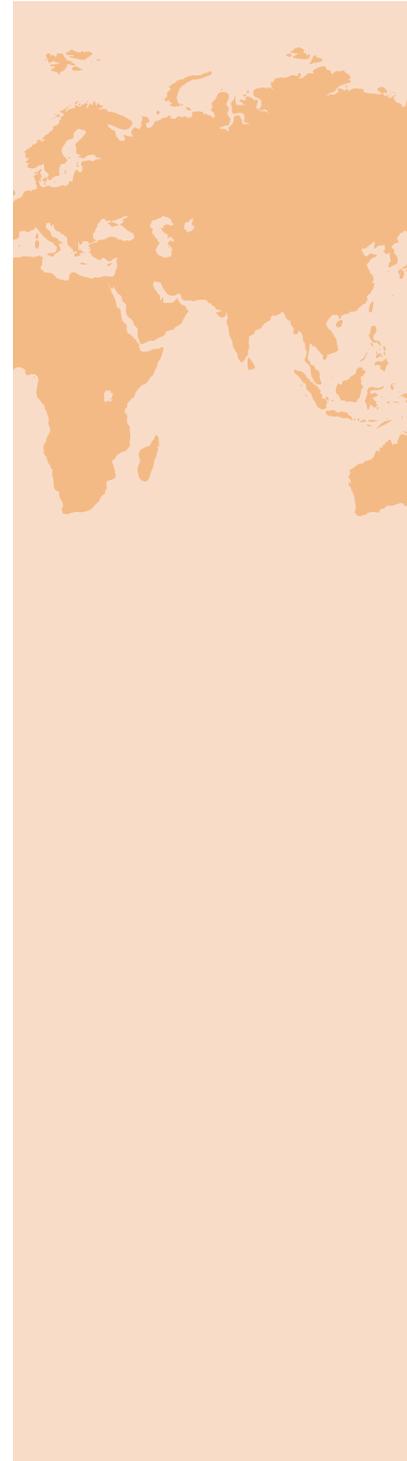
The Challenge

Afghanistan and Pakistan present distinct challenges to US policy. Yet they are closely linked by the political, historical and cultural unities that span their border. Instability and violence in each have had destructive effects on its neighbor. Security, political stability, and economic development in Afghanistan have been spiraling downward for a while with few prospects for improvement. The international community has already failed there. Pakistan now faces both the consequences of long-standing weaknesses of democratic governance and economic policy, and a present crisis of political authority, economic instability and violent threats to internal security. Despite mutual dependence between the US and Pakistan, the relationship is steadily deteriorating. The challenge for the US is to recalibrate Afghanistan policy in a time of acute crisis, while developing more long-term strategies for engaging Pakistan.

The Context

Recent trends in Afghanistan include a 40% increase in civilian casualties; a higher mortality rate for US soldiers there than in Iraq; a steady trajectory of eroding control by the Kabul government; and military and political advances by its enemies. Foreign troops and civilian casualties are irritants to Afghan nationalism, prompting many to join the Taliban, often as an act of national resistance rather than of ideological sympathy. The Afghan Army suffers from a lack of legitimacy because it is seen as the instrument of a weak government that enjoys little popular legitimacy. The Afghan state fails to provide personal security; law and order routinely means predatory behavior by licensed law enforcement; courts are slow, capricious and unreliable; and corruption is pervasive.

Pakistan's border with Afghanistan has not contained armed insurgency, Taliban ideology, or Al Qaeda activities. Feeding on the political failure of the Pakistani state and the weakness of the Pakistani economy, these have emerged as a serious threat to personal security and government authority. Pakistan's democratic government is weak, and is struggling to establish its authority at a time of economic crisis. Its capacity to act on the security front is seriously hampered as a result.



Where to Start

Recognize that fine-tuning of the current policy will not vouchsafe success: More troops will not work

Recent experience suggests that it is likely that a larger and more aggressive presence would serve to increase Afghan nationalist resistance. The West and the Afghan government have failed, not because of insufficient force, but because the present political arrangement is inherently unviable and a sure source of conflict. Recent talks between the Kabul government and the Taliban are a start but insufficient. The US, as the preeminent player in Afghanistan, should take the lead in promoting a fundamentally new approach that involves all stakeholders in discussion of a mutually agreeable settlement in Afghanistan. This will have two dimensions, an intra-Afghan one and one which involves Afghanistan's proximate neighbors and other key international players. Interested parties that could play the spoiler if excluded *must* be party to the conversation about Afghanistan's future.

Secure agreement from NATO allies and the Kabul government for a national consultation

Afghanistan is a complex society, comprising regional, tribal, sub-tribal, and local sources of loyalty and patronage. When it has found political equilibrium and stability, it has done so by careful balancing of disparate and potentially fissiparous interests, of rewards and obligations. Within Afghanistan, the traditional mechanism of the *jirga* or *shura* offers a means for negotiation of political compromise at all levels, from the most local to the national. The national process which produced the current constitution of Afghanistan was an attempt to use this traditional mechanism, and is to be faulted only because it excluded many significant stakeholders: those in the south in armed rebellion against the government, and unarmed political forces effectively excluded from the process.

A process of Afghanistan-wide reconciliation must include those forces now loosely clustered under the Taliban banner. They are significant numerically and geographically, and at least some of their new recruits are drawn by national sentiment rather than ideological commitment. Their military capacity would doom any process that excluded them. Such a process must also make room for unarmed political actors independent of the government, warlords or recently disarmed military factions. Members and other beneficiaries of the present government will be reluctant to risk their power. The Taliban may not agree to abide by a consensus. Therefore, the international community would need to be a highly interested guarantor of the fairness of any such process.

It will be important, in light of the close—almost symbiotic—historical, cultural, economic and social connections between border communities on in Afghanistan and Pakistan, to recognize that Pakistan will have to be a part of this pan-Afghan conversation, through some combination of provincial authorities of the North West Frontier Province, tribal authorities, and the federal government in Islamabad.

Launch a diplomatic initiative to secure an international agreement among Afghanistan's neighbors and other highly interested outside parties

The international supplement to the national Afghan process would be a modification of the “Six Plus Two” formula that was the basis for international deliberations during the period of Taliban rule in Kabul. In addition to all of Afghanistan's proximate neighbors, those governments required to endorse an agreement would have to include the United States, Russia, the European Union or NATO, and India. There will be objection to inclusion of one or another. Pakistan will not be happy with the recognition of India's role and interest in Afghanistan. The preferred inclusion of Pakistan as the only foreign participant in the pan-Afghan dialogue described above should go some way to mollifying this concern. And the need to “domesticate” all potential spoilers argues for bold inclusiveness.

Carefully focus US policy in Pakistan

Pakistani resentment at what is perceived as US incomprehension and pressure renders most US initiatives problematical. The hint of political interference will be viewed askance. In any case the US capacity to influence political outcomes in Pakistan is limited, and Pakistan will have to address the political challenge of democratic consolidation and the rule of law on its own. There the US can help only by doing no harm. Where Pakistanis are likely to welcome US involvement is in addressing the very real challenges of livelihood and macro-economic stability that they face.

Accord high policy priority, and financial and diplomatic resources, to securing sufficient multilateral funds to stabilize the Pakistani economy

Though resources are scarce all around, Pakistan should be the highest priority for such financial resources as the US and the international community can summon. In order to avoid spreading scarce resources thin, the focus of economic assistance should be on macro-economic stabilization and economic policy reform.

Let Pakistanis take the lead on security policy at the Afghan frontier

The US should avoid pushing for more military action by the Pakistan government. There is wide variance among Pakistani opinion about the value of negotiations with armed insurgents in the North West Frontier Province and in the Tribal Agencies. All concur that the political configurations of any of the local conflicts are complex, and include many sectarian and criminal rivalries, as well as local struggles for dominance; that there are limits to what can be accomplished by force; and that the drumbeat of US demands for more force and less negotiation can only lead to greater alienation of civilians hurt as innocent bystanders in military operations. From the Pakistani perspective, ill-conceived responses may make a bad situation worse.

Above all there are complex continuities of political affiliation and clan loyalty between many of those involved in armed activity and those involved in politics. These suggest both the extent of the problem and the difficulty of a military solution. Pakistanis see the US obsession with defeat of armed insurgents on the frontier as a distraction from the pressing need for political stabilization and response to the parlous economic situation of the country.

The temptation to involve the US in arming and training of tribal militias to fight Taliban and Al Qaeda forces is to be avoided. There is little promise of transparency or control over such a program, and considerable risk of unintended consequences detrimental to the goal of securing and pacifying the frontier.

What's on the Line

As the collective capacity of the Kabul government, NATO and the US to control events weakens, Afghanistan's neighbors including Iran, Pakistan and India will pursue competitive military and security policies through proxies, with devastating consequences for the Afghan people. In the absence of a bold new initiative of political reconciliation, the reemergence of an unstable political order inimical to US interests is only a matter of time. Defeat in Afghanistan will seriously undercut NATO's credibility and call into question at the outset its capacity to conduct the new type of mission embodied in Afghanistan. Deterioration of the security situation in Afghanistan will spill over into Pakistan, adding to the already high level of violence there.

In Pakistan, further economic deterioration of a country of 150 million people will add to political instability and the growth of armed militancy, which in turn will affect its neighbors and the world. US pressure for a military and paramilitary solution to the violence on the frontier will alienate civilian opinion in Pakistan and will in fact lead to further destabilization of the security environment.

Amit Pandya

Amit Pandya directs the Stimson's *Regional Voices: Transnational Challenges* project, which focuses on developing greater understanding of how experts in the Middle East, South Asia, Southeast Asia and East Africa approach transnational security issues, including human security and non-traditional security threats and challenges.

Pandya is a South Asia expert and international lawyer. He has been Counsel to the Government Operations and Foreign Affairs Committees of the House of Representatives, and held senior positions at the Departments of Defense and State and at the US Agency for International Development. He has also practiced law and worked in various civil and human rights non-profit organizations, and was formerly an ethnographer and teacher.

He holds degrees from Oxford, Yale, the University of Pennsylvania and Georgetown.

Additional Analysis

For additional original research by Mr. Pandya, please read the following publications:

- “*Transnational Trends: Middle Eastern and Asian Views*” (Stimson Center, 2008)
- “*Should Pakistan Do More or the US Demand Less?*” (Stimson Center, July 28, 2008)
- “*Fumbling with the Key: Building State Capacity in Afghanistan*” (Stimson Center, May 3, 2007)
- “*Security, Reconstruction and Political Normalization in Afghanistan*” (Center for American Progress, 2004)
- “*Waging Peace in Kashmir*” (Topic, 2002)



Rethinking Northeast Asia



Alan D. Romberg

The Challenge

Simultaneously nurturing bilateral relations with a rising China while reinvigorating relations with Japan and Korea—key American allies in Northeast Asia—will be a delicate but urgent challenge for the Obama Administration. Each relationship has its particular needs. But success on all fronts will also require that those relationships be addressed in a regional context when dealing with nonproliferation issues such as the denuclearization of North Korea, transnational issues such as climate change and energy security, or stable economic growth in a period of extreme financial stress. Whether such a regional perspective requires—or can produce—a new regional architecture is a different question, however, one without an obvious answer.

The Context

A wide-ranging constructive relationship with China is an obvious need if the new Administration is to achieve not only the most pressing regional objectives but also critical global goals. As to the two greatest consumers of energy and the two greatest producers of carbon emissions, the United States and China must cooperate if solutions are to be found. Moreover, not only because of the heft of their economies but also because their relations are vital to protect and promote critical American interests, the somewhat fragile alliance relationships with Japan and South Korea must be tended to on an urgent basis. All three countries play critical roles in the effort to denuclearize the Korean Peninsula and transform North Korea's relations from problematic to at least potentially productive. Fruitful unofficial relations with Taiwan that undergird the deepening of the island's democracy, economic growth and security also serve a broad range of American interests, including the maintenance of peace across the Strait and throughout the region. Integrating Taiwan more into regional regimes on a non-sovereign basis would serve not only American interests but the interests of others.

The sometimes ignored reality is that none of these relationships exists in isolation from the others, and properly weaving them together greatly enhances the prospects of peace in a region that has drawn the United States into war three times in the past century. Moreover, while the United States cannot resolve the bilateral issues between them, it can—and must—forge a policy that contributes to greater mutual trust and a set of relationships among them that is conducive to long-term stability and to a sense of shared economic destiny.

Where to Start

Encourage cooperative relations among others, but not at expense of US exclusion

While Washington will want to encourage cordial, cooperative relations among these various players, that should not come at the expense of American exclusion—or self-exclusion. The United States does not have to be—indeed, should not be—represented at every multilateral meeting in Northeast Asia. But the United States must be an active partner with these societies individually and in groups, exercising leadership that is consultative and respectful, not insistent and demanding. In particular, Washington should seek, as it has in the past, to encourage warmer relations between Korea and Japan, not in opposition to China or anyone else but based on a number of shared values and other interests the United States has with them.

Promote an inclusive regional approach

In particular, this region—including the United States—is critical to coping with the new transnational agenda—environmental degradation, energy security and climate change. The region represents a large part of the global problem and must be a central part of the solution. Despite a natural competitive instinct, all of these governments and societies need to act in a cooperative enterprise—including bringing Taiwan in on a non-sovereign basis. Leaving anyone out would be self-defeating, as would any effort by one country or a group of countries to gain advantage over others.

Work toward global solutions through regional building blocks

Global solutions will eventually be required for many of the transnational issues. But working up from building blocks of regional cooperation is likely to be more successful in the long run than striving for an all-at-once solution. Moreover, given the decisive positions of the United States and China as energy consumers and carbon emitters, much of the global problem can be dealt with if regional arrangements “get it right.”

Reduce mutual strategic suspicion with China

For reasons that have both historical as well as more contemporary roots, the United States and China view each other with deep strategic suspicion. Beijing fears that Washington seeks to constrain its power and influence and to limit its geographic reach while Washington suspects that Beijing aims to reduce American clout in the region, including by eroding US alliances and undermining the value of American military might. There is no doubt an irreducible minimum level of concern that will always remain. Still, a critical requirement for the new Administration will be to strive to ameliorate this mutual strategic suspicion as much as possible. Otherwise, it will be difficult if not impossible to move ahead with sufficient confidence to resolve the most pressing and sensitive issues, even where their shared interest is manifestly clear.

Reach true partnership with Japan and Korea

In many respects—especially rhetorically—US regional alliances are strong. But in both cases, there is an underlying sense on the part of America’s allies that Washington disregards their interests, employing consultation as a one-way street to demand that they “do more.” Conversely, there has been a growing level of American frustration over what

is perceived as reluctance by alliance partners to accept responsibilities, regionally and globally, commensurate with their new strength. Among the most challenging tasks for the new Administration is the need to face up to problems in relations with US allies and move to fashion more productive partnerships with them on a truly equal basis.

Maintain American leadership through positive engagement and presence

Perhaps a meaningful regional peace and security mechanism can eventually be created to deal not only with military-related issues but also with the other issues of vital importance. That is likely only going to come, however, as a follow-on to success in the Six-Party Talks, which means it is a relatively distant prospect. In the meantime, troubled as US relations sometimes are, most if not all of America's regional partners want the United States to continue to play an active role, acting not only as the balance wheel that helps maintain regional stability but also the provider of public goods that ensures there is no strategic vacuum that anyone else might feel tempted—or compelled—to fill. Maintaining a visible US military presence signals to all concerned a continuing American commitment to the region. At the same time, however, the level of non-military American engagement and the style of US leadership will need to be more respectful of the achievements of counterparts and the differences between their views and American views. “Because I said so”—the message often received in the past even if not the one intended—must be replaced with the reality and perception of genuine give-and-take. The United States needs to listen better, to understand how Asians see their own role—and America's—in order to forge successful policies.

What's on the Line

Reliance on regional partners is not a substitute for responsible American policy. Approaching things with a regional perspective is also not a substitute for sound bilateral relations. But failure to view these relationships not just bilaterally but also through a regional prism is both to miss the potential synergies and to misapprehend the dynamics as perceived by US partners. If Washington is not aware of the regional context, they certainly are. And their policies are importantly shaped by those perspectives.

The United States has been more remiss in Southeast Asia than in Northeast Asia in sloughing off opportunities to participate in regional groupings and dialogues. Refusal to sign the ASEAN Treaty of Amity and Cooperation and a cavalier attitude toward participation in the East Asia Summit are cases in point.

There are no direct parallels in Northeast Asia. But there has grown up among several of the players in Northeast Asia a greater sense of common interest as seen in the “+3” dialogues and in the interest, at least among some, in promoting a regional Northeast Asia peace and security mechanism as a follow-on to the Korean Six-Party Talks. That particular idea may be premature; it will be important to keep the Six-Party process going as an important tool in the effort to denuclearize North Korea. Moreover, the benefits of a regional mechanism may be oversold by some of its advocates. But that doesn't mean it has no potential usefulness, including helping to create habits of cooperation and forging agreements on “rules of the road” and other arrangements that could minimize the chances of confrontation.

In any event, as relations among regional players develop, including across the Taiwan Strait, while there will be plenty of minefields to be navigated, there is a considerable potential payoff if the United States acts with creativity, flexibility, and a style of leadership that attracts rather than repels its partners. To take full advantage of the potential such an approach could create, the United States needs to think more regionally, not only in the traditional hub-and-spokes bilateral framework that has been the almost exclusive focus in the past.

Alan D. Romberg

Before Alan Romberg joined the Stimson Center in September 2000, he enjoyed a distinguished career working on Asian issues in and out of government, including twenty years as a US Foreign Service Officer. Romberg, who was Principal Deputy Director of the State Department's Policy Planning Staff and Deputy Spokesman of the Department, served in various capacities dealing with East Asia, including Director of the Office of Japanese Affairs, Member of the Policy Planning Staff for East Asia, and staff member at the National Security Council for China. He served overseas in Hong Kong and Taiwan. Additionally, Romberg spent almost ten years as the C.V. Starr Senior Fellow for Asian Studies at the Council on Foreign Relations, and was Special Assistant to the Secretary of the Navy. Romberg holds an MA from Harvard University and a BA from the Woodrow Wilson School of Public and International Affairs at Princeton University.

Additional Analysis

For additional original research on Northeast Asia, please read these publications by Alan Romberg:

- *"Cross-Strait Relations: First the Easy Steps, Then the Difficult Ones"* (China Leadership Monitor, No. 26, Fall 2008)
- *"Taiwan: George Bush Meet Abba Eban"* (Stimson Center, 2008)
- *"U.S. Policy Toward Taiwan, Time for Change?"* (Position paper for the Carnegie Endowment for International Peace debate series, Reframing China Policy, 2008)
- *"The U.S. 'One China' Policy: Time for a Change?"* (Neuhauser Memorial Lecture, Harvard, 2007)
- *"Rein In at the Brink of the Precipice: American Policy Toward Taiwan and US-PRC Relations"* (Stimson Center, October 2003)



US Policy in the Gulf: Resisting the Temptation of One-dimensional Policies



Emile El-Hokayem

The Challenge

The new US Administration needs to restore US influence in the Persian Gulf. Success will depend largely on how the United States approaches and reconciles the world's two most pressing crises: a cooling but not yet stabilized situation in Iraq and a cold war that could still turn hot with Iran.

The Context

The United States has acted for three decades as the Persian Gulf's policeman with varying degrees of success. Global confidence in its ability to guarantee regional stability and manage challenges has been severely hurt by the Iraq war and its aftermath. US allies in the Persian Gulf are growing nervous about declining US leverage on regional parties, events and the toxicity that comes with being associated with widely unpopular US policies.

The main beneficiary of US decline is Iran, which is increasingly setting the regional agenda of the Middle East, from arms control and terrorism to stability in the Gulf and Iraq. After years of failed efforts to isolate Iran, the Bush Administration gradually moved away from aggressive containment and embraced a tentative but more consensual approach, including the use of multilateral coordination with Arab allies and limited engagement with Iran.

This strategy is unlikely to succeed without a determined effort by the new Administration to engage Iran and present it with stark choices. Whether the new Administration opts for a direct, all-out approach or for gradual confidence-building by addressing issues of common interest, this process is likely to be frustrating and full of pitfalls. But the current course may result in two unwelcome outcomes: a war with Iran or a nuclear Iran.

Where to Start

Define a policy that emphasizes US regional interests rather than make a single country or challenge the centerpiece of US strategy

Conflicts and challenges in the Middle East and the Persian Gulf are strategically, ideologically, politically and operationally interconnected. For example, Iran's role in Iraq is directly correlated with US-Iran relations. Similarly, Arab engagement of Iraq is an attempt to prepare for the expected US withdrawal and counter Iranian influence.

Therefore, making Iraq or Iran the centerpiece of US policy will complicate the prospects of achieving satisfactory results in both cases and possibly reduce US influence in the region even further.

Place Iraq in its regional context and recognize that the role of neighbors will be more decisive than unilateral US actions

Getting Iraq right will be key to designing a new regional security architecture. A failing Iraq will increase tensions between local actors and invite more regional interference in Iraqi affairs. An improving Iraq will move the competition between neighbors to the political field and allow for greater economic and social exchanges in the immediate vicinity.

Luckily, the chances of a contagious collapse of Iraq are fading. The various players are gradually accepting the new strategic realities of Iraq. If Iraq is no longer a bulwark against Iranian ambitions, internal Iraqi dynamics and greater Arab acceptance are likely to prevent it from falling into Iranian hands.

Rightsize the Iran threat and move away from the rhetoric of confrontation

The new US Administration should fully understand that Iran's attributes of power do not amount to a threat of an existential nature to US interests. Rather, Iran's regional ambitions amount to a serious challenge that can be met through a combination of political and security instruments that emphasize diplomacy.

Ironically, the United States and Iran sometimes converge on their assessment of Iranian power by inflating it. Iran's many attributes of power are, however, not maximized because of its complex decision-making structure, a deficient economy, dependence on oil revenues, isolation from the international economic system, and domestic discontent. Abroad, Iran's appeal is limited by virtue of being both Persian and Shia in a region dominated by Arabs and Sunnis. Iranian power is also checked by regional powerhouses like Turkey and Saudi Arabia.

Reaffirm a preference for dialogue with Iran and move toward engagement

The perception that the United States seeks regime rather than behavior change in Tehran is a key determinant of Iranian policy. The United States has stated that it was seeking behavioral change (on the nuclear program and on Iran's support of terrorist organizations), but parallel activities (support for Iran's civil society, rhetoric from Washington, military exercises) suggested otherwise to Iranian leaders. Given Iran's inclusion in the Axis of Evil when it had a relatively moderate leadership and foreign policy, Iranian officials continue to harbor deep mistrust of US policy objectives.

How and when Iran is engaged will be paramount to the success of any opening. The new US Administration should immediately launch a comprehensive policy review, announce a principled readiness to engage but wait until the 2009 presidential elections in Iran to see if Iran's power structure is willing to reciprocate. There are three broad strategies:

- gradual engagement limited to issues of common interests (Iraq and Afghanistan), broadened to more contentious issues (nuclear program and Arab-Israel conflict) if confidence reigns;
- engagement aimed at addressing heads-on the most controversial issue of Iran's nuclear program;
- or a 'grand bargain' approach that offers Iran the best possible deal in exchange for immediate suspension of its nuclear program and scaling back its regional ambitions.

Whatever the chosen approach, a policy of engagement does not imply that the United States should drop parallel contingency efforts or soften its demands on Iran's regional behavior. Rather, it should aim at recognizing the legitimacy of the Iranian regime and clarifying the stakes to Iran, should it persist in its quest for a nuclear capability of possible military use and in its belligerence against Israel. The United States should state that the military option is not envisaged unless Iran uses its nascent nuclear capability to embark on a destabilizing campaign in the region.

The Obama Administration should not assume that Iran is necessarily willing or capable to reach a solution, given the frequent paralysis or infighting within its system. In fact, a negotiations process that fails could worsen the regional picture, if the parties overreact or feel politically vulnerable.

Reassure and listen to Arab allies before any opening to Iran

As oil-producing countries and global economic players, the GCC states remain a cornerstone of US policy in the Middle East. They provide the United States with political and economic leverage and play a major role in mobilizing support for peace initiatives and other US policy priorities, including in Pakistan and Afghanistan. They increasingly seek to diversify their political and strategic alliances but remain dependent on the US security umbrella. This is unlikely to change in the medium term.

Arab allies of the United States fear a grand bargain with Iran as much as a military showdown. They worry that the United States would give Iran undue influence over regional affairs and agree to security arrangements that would erode their own sense of security. These fears, as far-fetched as they may be, should be carefully managed at the presidential level. Before starting negotiations with Iran, the United States should inform its Arab allies of the parameters of such a dialogue.

The United States should also encourage its Arab allies to engage in a strategic discussion about their regional security preferences and outline them at the outset of US-Iran talks. Arab Gulf states continue to value close political-military contacts with the United States. The United States should therefore continue to provide its Arab allies with top-of-the-line missile and air defense technologies under the framework of the Gulf Security Dialogue initiative and assure them of the reliability of the US security umbrella.

What's on the Line

Few regions in the world carry the potential of catastrophic conflict that the Persian Gulf offers—from the confluence of nuclear proliferation, to failing states, fierce state competition, Islamic terrorism, and Iranian regional ambitions.

The responsibility of the United States is unmistakable. It is perceived as the indispensable dealmaker and the most destabilizing factor at once. And despite its loss of influence and the emergence of new players in Gulf affairs, the United States will remain the paramount power due its power projection capabilities and its willingness to offer and act upon security guarantees.

The only way for the United States to regain some clout is to lead the effort to engage Iran and obtain concessions from Tehran in exchange for recognition of the Iranian regime.

Emile El-Hokayem



Emile El-Hokayem is a non-resident Research Fellow with the Henry L. Stimson Center's Southwest Asia/Gulf program and the Politics Editor of the Abu Dhabi-based newspaper *The National*. From 2004 to 2008, Emile served as a resident fellow at the Stimson Center.

His research interests include the security, politics and economics of the Persian Gulf and Arabian Peninsula. He is also an analyst of Lebanese and Syrian politics and security.

Emile earned his Master of Science in Foreign Service from Georgetown University, where he focused on international security, US foreign policy and the Middle East. He also served as editor-in-chief of the *Georgetown Journal of International Affairs*, the school's academic publication. He has worked as an independent consultant on Middle East issues, including human rights, refugee affairs and political reform. His Washington experience includes research work on Middle East issues at the International Crisis Group and the Middle East Institute. He holds degrees in economics and finance from the University of Paris-Dauphine. He is fluent in French and Arabic.

Additional Analysis

For additional original research, please read the following publications from Mr. El-Hokayem:

- *"Transformation or Transition: The Pace and Nature of Change in the Arab Gulf"* (Chapter from *Transnational Trends*, Stimson Center, 2008)
- *"Syria: Options and Implications for Lebanon and the Region"* (Senate Foreign Relations Committee Hearing, 2007)
- *"Le Golfe fragilise par le nucleaire iranien"* (*Le Monde*, 2007)
- *"Syria and Hizballah: Outgrowing the Proxy Relationship"* (*The Washington Quarterly*, 2007)
- *"Hizballah's Enduring Myth"* (*Arab Reform Bulletin*, 2006)

China's Falling Growth & US Hopes for Stabilizing the Global Economy: Mind the Gap

Dr. Richard Cronin



The Challenge

The accelerating meltdown of the global economic and financial system has caught the United States off guard. China, now the largest holder of US Treasury bonds, obviously plays an outsize roll in the ability of the US to finance its fast multiplying debt. China has also become a mainstay of growth and stability in developing Asia. Current US assumptions about China's role in helping the US finance its debt and avoiding a wider global economic and financial meltdown especially need urgent reexamination. Deteriorating economic and financial conditions in both the US and China challenge continuing assumptions that China will continue to buy and hold US Treasury Bonds and constitute a new engine of growth for Asian and other emerging markets. The new US Administration also should worry about China's current struggle to maintain social stability—and the reverberations from China's falling growth rate throughout Asia. The challenge is this—assuming the immediate threats to the US financial system can be eased, how can the Obama Administration better mesh domestic US economic policy needs with its wider Asian policy interests and slow or reverse the current shift of economic power to Asia?

The Context

For years the United States and China have had a de facto bargain that can be compared to the Asian concept of the equally balanced yin and yang. We, the high consumption country, run a trade deficit with them, the high savings country, and they in turn use their bilateral trade surplus dollars to buy US Treasury and corporate bonds. To date this has made perfect sense to Beijing. US Treasury bonds provide safety in the current financial chaos and selling them now would undercut the value of China's remaining dollar assets. Converting them into Yuan would put upward pressure on the Chinese currency, and thereby undercut China's goal of keeping its currency undervalued, its exports competitive, and inflation under control. Even in the case of a falling dollar, China thus far has had an incentive not to dump its T-bill holdings lest it force the dollar even lower and depreciate the value of its remaining bonds. But China already has set a longer term course to rebalance its foreign reserves by holding more Euros and Japanese Yen. Now all bets are off. Current uncertainties have caused China to join the global flight to safety over yield, but near zero interest on T-bills and falling confidence in the ability of US eco-



conomic managers to stabilize the financial crisis and avert a deeper recession are changing its calculus. China's own GDP growth slid from about 12 percent in 2007 to 9 percent. In November 2008 the World Bank cut earlier economic growth forecasts to 7.5 percent for 2009, less than the 8 percent Chinese officials believe is necessary for social stability. Other estimates are even more pessimistic based on fourth quarter 2008 performance. Recent protests by unemployed workers and bankrupt small business owners have created fear within the ruling Communist Party and prompted the government to announce an emergency 4 trillion Yuan (currently about \$560 billion) stimulus package. About 75 percent of the so-called stimulus package is to come from state corporations and banks already awash in red ink, and most of the rest from repackaging spending that was already planned. In the words of China Investment Corporation Chairman Lou Jiwei, "China can't save the world. It can only save itself." It is increasingly doubtful whether China can even do this.

China's failure to stop or reverse its falling rate of growth would have serious regional impact. For every 1 percent change in Chinese GDP growth the rest of Asia's growth rate changes by an estimated one-half percent. Because Japan, South Korea and other Asian trading partners now export more goods to China than to the US, the fall in China's growth rate will hurt its neighbors' economies as well. Because the legitimacy of many governments in developing Asia has depended primarily on delivering a strong economic performance, the sharp drop in imports by China and the combination of soaring food and energy prices affects political stability.

Where to Start

The new Administration could shore up international confidence in the US ability to cope with the current financial crisis and reinforce Asian stability by taking the following first steps:

Immediately initiate a comprehensive review of the assumptions underlying expressions of confidence that China will continue to buy and hold T-bills and other US securities

Such a review should be coordinated by the National Security Council and involve broader policy representation than just the Treasury, Federal Reserve and other departments concerned mainly with economic and financial issues. China currently holds about 20 percent of US T-bonds while Japan and the rest of Asia hold another 27 percent. Chinese sovereign funds have already been badly burned on investments in US financial institutions. China's current "dollar trap" could weaken if return became more important than the security of its hard currency reserves, or if boosting domestic growth should become so urgent that Beijing was ready to accept the inflationary impact of using its hard currency holdings to support a flagging domestic stimulus package. The return on US T-bills is already near zero. At that rate, China has a growing incentive to move cautiously out of dollar assets and into Euros or Yen, or simply put new surpluses into these currencies.

Broaden the China-US Strategic Economic Dialogue and/or merge it with the Security Dialogue

The Treasury Department and other departments with responsibility for foreign economic relations already work closely with China's economic managers in respect to T-bond issues, the trade balance, and China's de facto currency peg, but this is not enough. The intelligence community needs to become involved to better understand China's economic policies and revisit the conventional wisdom that China has no alternative but to park its foreign reserves in US Treasury bonds. Also, statements by senior US policymakers frequently reveal a sunny view of China's growth prospects that does not comport with those of analysts who look at the Chinese economy from a political-economic perspective. Nor does the US-China dialogue focus sufficiently on broader issues such as China's ambitions for greater influence in developing Asia. The intelligence community, especially the NIC, the CIA and the State Department's Bureau of Intelligence and Research (INR), should conduct a Special National Intelligence Estimate (SNIE) on China's deepening economic and political ties to Southeast Asia, including its fast-growing role in economic infrastructure development in Southeast Asia and rising political influence.

Work to create more confidence in China and the rest of Asia that US policy will take into account their political and economic imperatives

This also requires broadly based and coordinated policy action, especially on the part of State and Treasury, and in the US role in the ADB and World Bank. China and the rest of Asia understand that their fates are linked to ours, but have long believed—rightly or wrongly—that US policy is too self-centered and does not sufficiently take their interests into account. This view goes well beyond current economic and financial issues. For instance, in calling for China to be a “responsible stakeholder” the Chinese and other Asians ask who is to be the arbiter of responsibility. In the past, this has been mainly a foreign policy problem, but now American interests require persuading China and the rest of Asia that the US understands that interdependence is a two-way street. That requires better listening and more substance, and broader policy coordination.

Work to create more two-way trust between US and Chinese financial and economic managers

This requires more interaction between the Fed and Treasury with the Bank of China and other Chinese economic managers. Both the US and China especially need to be transparent about their plans for stabilizing markets and stimulating their economies. The US should ask for more feedback from China regarding its calculations for determining where to put its hard currency surplus, and how the US can maintain Chinese confidence without abandoning its domestic stabilization policies.

Make a new effort to build trilateral policy dialogues and concerted cooperation with Japan and China

Japan continues to have a myopic view of its interests and shun leadership on Asian and international financial issues. Economic interdependence between China and Japan has not been sufficient to cover historical and territorial disputes. More substantively, Japan's central bank operations typically pay much more regard to perceived national self interest in influencing currency valuations, for instance. With the global financial system and economy poised at the brink, now is the time work with Japan to take a broader view of its stake in the global financial system and to promote trilateral policy dialogues and concerted cooperation among all three countries. The Defense Department needs to be more in harmony with the State Department on US-Japan alliance issues (and the ROK as well), and the NSC needs to break down department walls and approach issues from a political economic perspective rather than separate economic, diplomatic and security channels. To change recent atmospherics in US-Japan relations, the new Administration should demonstrate broader understanding of Japanese perspectives and work to eliminate the perception that the US is "bypassing" Japan in its dealings with China.

What's on the Line

US financial and economic policy managers should recognize and act on the most important challenge to the functioning of the international system since the end of the Cold War. Already, the EU countries have called for a major reevaluation of the entire Bretton Woods system. The United States still has the ability to lead and influence the financial, economic and even the global security order despite the substantial diffusion of economic power in the direction of Asia. The US cannot maintain its leadership without the cooperation of China. Across-the-board engagement with China on the current financial and economic crisis can contribute to a larger reliance on diplomacy and other nonmilitary means of achieving stability in Asia and other regions where China has become more active.

Dr. Richard Cronin

Dr. Richard P. Cronin heads the Southeast Asia program at the Henry L. Stimson Center. Since joining the Center in July 2006, Cronin has made presentations, given media interviews, written Op-Ed articles and book chapters, and organized seminars on issues concerning Southeast Asia and US policy. Currently, he is working on China's relations with the Mekong Basin countries, US-ASEAN relations, and issues concerning Japan and Southeast Asia. Dr. Cronin joined the Stimson Center after a long career with the Congressional Research Service (CRS), a non-partisan research and information arm of the US Congress. As a senior Asian affairs specialist in the Foreign Affairs, Defense and Trade Division of CRS, his responsibilities included both research and research management, and spanned the entire range of US policy issues regarding South, Southeast, and Northeast Asia. Cronin has taught comparative political economy of Asia at Washington area universities and lectured extensively on Asian political and security issues at the National Defense University, the Foreign Service Institute, and in more than a dozen Asia-Pacific countries. He received his PhD from Syracuse University and his MA and BSc from the University of Houston.

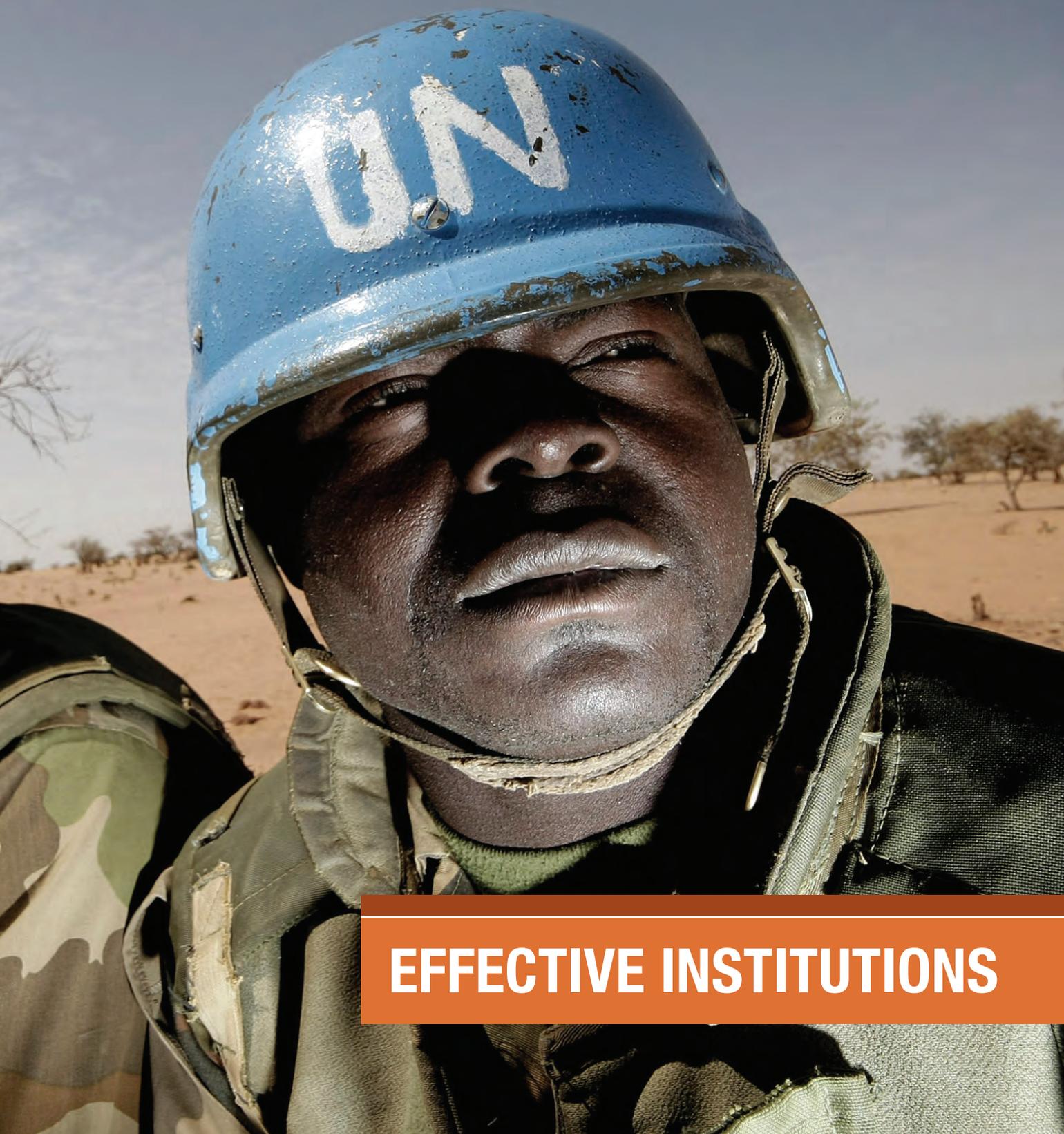


Additional Analysis

For more analysis from Dr. Cronin, please read the following publications:

- “*The Security Dimension of Transboundary Resources Management in Southeast Asia*” (Chapter from *Transnational Trends*, Stimson Center, 2008)
- “*The Second Bush Administration and Southeast Asia*” (Emerging Geopolitical Situations in the Asia-Pacific Region, 2008)
- “*Thai-US Economic Partnership: Opportunities and Limitations*” (in-US Relations: Forging a New Partnership in the 21st Century, 2007)
- “*A New US-ASEAN Trade Tack*” (The Wall Street Journal Asia/WSJOnline, February 9, 2006)
- “*The North Korean Nuclear Threat and the U.S.-Japan Security Alliance*” (Fletcher Forum, Winter 2005)

Members of UNAMID on patrol in Regel El-Kubri, Sudan
2008



EFFECTIVE INSTITUTIONS

Rebalancing the Toolkit: Strengthening the Civilian Instruments of American Statecraft

Dr. Gordon Adams

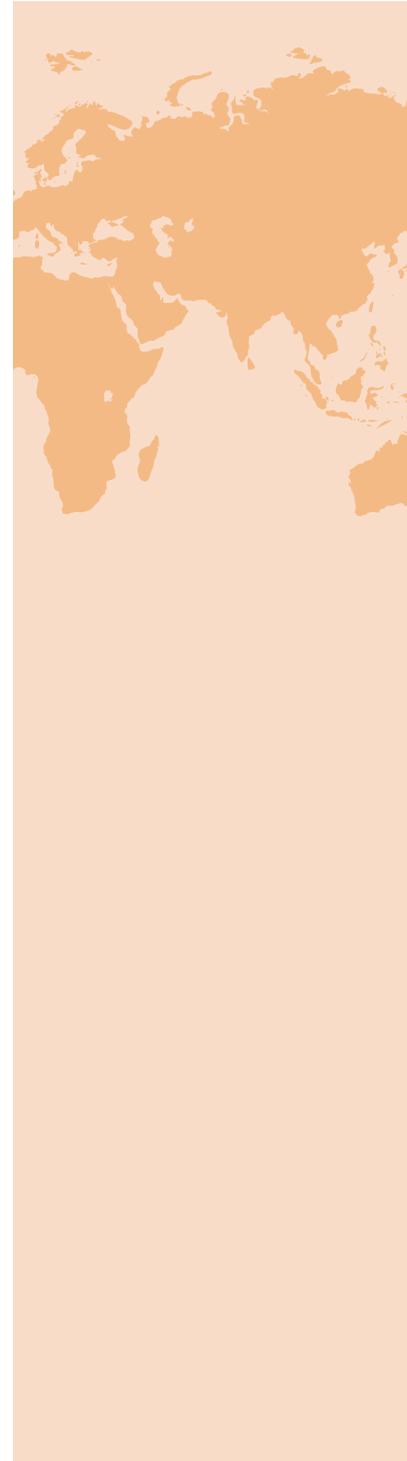


The Challenge

America's statecraft is unbalanced and our national security is paying the price. Today, the military is being asked to perform a growing number of national security missions, only some of which are part of their core competence. The consequence is an overstretched military, a weakened civilian capacity, and an increasingly uniformed face on America's global engagement. It is urgent for the new Administration to rebalance the portfolio, ensuring that the military is restored and capable, and that our diplomatic and foreign assistance tools are structured to be effective and adequately funded.

The Context

The new Administration faces a number of critical national security and foreign policy challenges, including a fragile global economy and disparity of wealth, major resource challenges (energy, water, food), failing and fragile governance, conflicts of "identity" (religion, ethnicity, nationality), transnational problems (health, environment, climate, crime, drugs, and terrorism), and shifting global and regional power balances. These challenges cannot be managed by a single federal agency, nor, in many cases, by the United States alone. Today, however, the US foreign and national security policy infrastructure is weak, imbalanced, and inadequately resourced on the civilian side. Moreover, the White House capacity to coordinate, oversee, and fund a "whole of government" approach to these challenges is inadequate. Our institutions are simply not up to the task of an integrated policy process, nor one of coherent coordination with the international community. It is time to restructure, rebuild, and resource the instruments of American statecraft.



Where to Start

Strengthen the President's ability to coordinate and integrate national security policy

The new President will not have an adequate capability to plan, oversee, and guide our foreign and national security policy in place. His principal instruments—the National Security Council and the Office of Management and Budget—are simply not built to cope with the task. Too often, the short-term takes precedent over the long-term; tactics overwhelm strategy; planning capabilities are thin; and there is too little attention to the linkage among policies or between policy objectives and funding decisions.

Within its first three months, the new Administration should carry out a first-ever Quadrennial National Security Review coordinated by the NSC. Within six months of taking office, the Administration should carry out a National Security Planning Guidance, focusing on the key national security priorities, coordinated by NSC and the Office of Management and Budget. The Administration should seek legislative authority to institutionalize these processes and create dedicated capabilities at NSC and OMB for these tasks.

Strengthen and empower the civilian instruments of statecraft

Both State and USAID are inadequately staffed and organized to function effectively. This is not simply an issue of inadequate numbers. The existing recruitment, training, incentive, and promotion policies of the State Department, the Foreign Service, and USAID do not produce enough personnel suited to the emerging challenges. The nation needs a new generation of diplomats with the economic, technical, managerial, planning, and budgetary skills required to meet the new challenges. Recruitment needs to focus on a different breed of officer (including both initial and mid-career accessions) who can bring in the economic, financial, technical, managerial, and strategic planning talent the Department needs. USAID needs to rely less on contractors and more on a larger staff, recruiting talent in program development, management, implementation, and evaluation. **Career paths for Foreign Service officers need to reward assignments that cut across skills inside the foreign policy agencies and include inter-agency assignments.**

Structurally, the new Administration should appoint a second Deputy Secretary of State for Management and Resources (permitted in current statute), responsible for State/USAID budgeting and management, tasked to coordinate foreign assistance planning and budgeting. The responsibilities of this Deputy should extend to the coordination of all foreign assistance budgeting across the International Affairs budget account. This Deputy would participate in all NSC meetings, providing foreign assistance and development with a high-level voice in policy discussions, and co-chair an NSC-level permanent interagency group reviewing all foreign assistance programs and budgets across the government. This Deputy should also serve as USAID Administrator. USAID should receive higher levels of funding and personnel (doubling field personnel over five years), retain its status as a separate organization, reporting to the Secretary of State, and incorporating the programs and responsibilities currently carried out through the President's Emergency Program for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation (MCC).

Proper Assignment of Responsibilities for Foreign and Security Assistance

The President will face a major institutional challenge in the relationship between civilian and military agencies with respect to post-conflict reconstruction programs and security assistance. At present, DOD executes 15 different foreign and security assistance programs, at least six of which were created since 2001. Many of these programs overlap with existing State/USAID authorities and activities.

The President needs to move swiftly to build the capacity of State/USAID to oversee, integrate, and execute civilian programs for stabilization and reconstruction. The core capability for this mission should be located at USAID, building on its military liaison, civilian capacity-building, and transition programs, already in place. USAID should also be given authority to plan, recruit, train, and deploy a cross-government, public-private capacity for rapid civilian deployment where stabilization and reconstruction programs are needed. Overall coordination of government responsibility for stabilization and reconstruction policy, as well as broader US government policy toward governance and fragile states, should be based in the National Security Council, under a new Senior Director who leads an interagency group.

The President should also move swiftly to build the staff capacity and funding at State to take responsibility for the full agenda of US security assistance programs. Early steps need to be taken to integrate the security assistance portfolio at DOD into the State Department, in order to ensure proper overall foreign policy guidance for these programs. State should have full responsibility for policy and budgets for all programs to train and equip foreign security forces, to educate foreign officials for counter-terror policies and operations, and to reimburse foreign governments for their contributions to US counter-terror operations. The policy and budget responsibilities for these programs should be integrated into appropriate on-going State activities and offices, such as Foreign Military Financing, and Peacekeeping Operations. DOD and the military services should remain, as they are today, the primary implementers of such programs, with up-front input into program development, working with the State Department.

Restore discipline and focus to the military instrument

Defense budgets are now fully out of control; planning and budgeting discipline at DOD has been eroded by nine consecutive years of budgeting that relies on supplemental funding for Iraq, Afghanistan and counter-terror operations. Those supplemental funding requests have increasingly been used to fund basic defense programs having little to do with Iraq and Afghanistan. Defense budgets, which now surpass seven hundred billion dollars per year, are at the highest level in constant dollars since World War II. If a return to order is not carried out soon, defense budgets will continue to spin out of control, swamping the President's overall foreign policy and domestic agenda.

A detailed review of US strategy needs to be carried out, as proposed above. This review should be coordinated with an accelerated defense review, setting down new policies with respect to the missions, size, and composition of the military forces of the United States, post-Iraq. Supplemental budget requests for military programs and activities should cease, leaving only a short period of final supplemental funding for activities specifically focused on Iraq and Afghanistan. A single DOD budget process should review all service budget requests, including those related to the current combat deployments, restoring order to the existing planning and budgeting system.

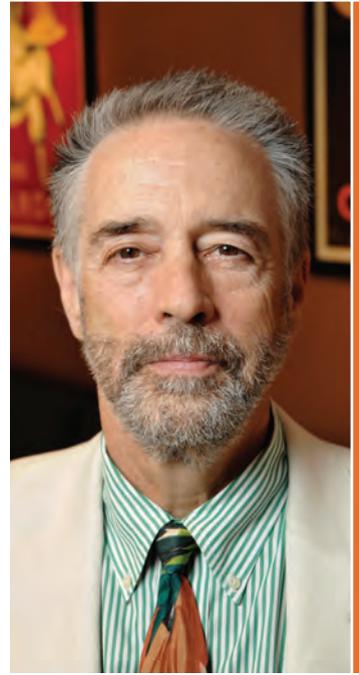
What's on the Line

Without serious, early, and priority attention to these critical reforms the new Administration faces the prospect of continued *ad hoc planning*, weakened civilian national security institutions, an imbalanced overseas engagement and runaway defense budgets. The United States cannot afford to perpetuate this national security structure in the face of increasingly complex global challenges. Dealing with issues like terrorist organizations, crime, drugs, proliferation, climate change, rising regional and international powers, increasing prices, religious and ethnic conflicts, a slumping global economy and failed, failing and weak states demand a coherent national security strategy utilizing all the tools of statecraft.

The US's ability to confront the myriad challenges and opportunities that lay ahead will depend on the new Administration and Congress' ability to expand the capabilities of the national security planning process reform and strengthen the civilian instruments of national security, integrate and re-balance US overseas engagement, and restore fiscal discipline to defense spending. Without such reforms, the United States will not be able to deal with the challenges and opportunities of the future.

Dr. Gordon Adams

Gordon Adams is a Distinguished Fellow at the Stimson Center and a professor in the US Foreign Policy field at American University. Mr. Adams was most recently a Fellow at the Woodrow Wilson International Center for Scholars. For the previous seven years, he was a Professor at the Elliott School of International Affairs, George Washington University and Director of the Elliott School's Security Policy Studies Program. He was previously Deputy Director of the International Institute for Strategic Studies in London, and served for five years as the Associate Director for National Security and International Affairs at the Office of Management and Budget as the senior White House budget official for national security. He has been an International Affairs Fellow at the Council on Foreign Relations and received the Department of Defense Medal for Distinguished Public Service. Mr. Adams has published books, monographs and articles on defense and national security policy, the defense policy process, and on national security budgets. He has testified numerous times before the Congress on defense spending and national security issues, writes columns for major media outlets, including a monthly column for the Bulletin of Atomic Scientists, and is widely quoted by national media on national security policy and budgets.



Additional Analysis

For additional original research on budgeting for foreign affairs and defense, please read the following publications by Dr. Adams:

- *“Establishing the Next President’s National Security Agenda: Part 1”* (Bulletin of Atomic Scientists, June 2008)
- *“Getting US Foreign Assistance Right”* (Bulletin of Atomic Scientists, May 2008)
- *“Don’t Reinvent the Foreign Assistance Wheel”* (Foreign Service Journal, March 2008)
- *“The True Cost of US Defense Spending”* (Bulletin of Atomic Scientists, April 2008)
- *“New Funds for Foreign Aid”* (Bulletin of Atomic Scientists, February 2008)
- *“The Politics of National Security Budgets”* (The Stanley Foundation, February 2007)

Peacekeeping Dues & Don'ts: A Checklist for the New President



Dr. William J. Durch

The Challenge

While America can act on its own in many matters of peace and security, even a superpower has finite resources as the cases of Iraq and Afghanistan have demonstrated. The new Administration must answer serious questions of resource allocation regarding peace and stability operations and make it clear that it supports an effective UN.

The Context

Contemporary peace operations got their start after World War II, when some 200 unarmed observers wearing UN armbands patrolled cease-fire lines between India and Pakistan and the armistice lines around the new state of Israel. Six decades later, 104,000 troops, police, and civilian personnel in 20 UN missions on four continents use presence, persuasion, and modern weapons to support the rebuilding of peace under tough conditions. When fully deployed, the large UN-African Union mission in Darfur will drive that total to 130,000. The North Atlantic Treaty Organization (NATO) manages a further 50,000 peacekeepers in Kosovo and Afghanistan, the European Union (EU) manages 2,300 troops and police in Bosnia, and the African Union (AU) managed about 7,000 in Darfur through the end of 2007, when that force merged into the UN-AU "hybrid" force. The US government authorized, endorsed, or supported all of these operations through its votes in the Security Council or on NATO's North Atlantic Council.

The United States chronically under-budgets its share of UN peacekeeping costs, even as it votes for more and expanded peacekeeping missions on the Security Council. As of February 2008, the US had built up \$1.2 billion in essentially permanent prior-year debt for UN peacekeeping and was likely to fall at least another \$500 million short in its peacekeeping dues for 2007-08. At the end of May, 11 months into the UN's current peacekeeping fiscal year, member states still owed the organization \$1.3 billion toward the \$6.8 billion peacekeeping budget.

Where to Start

Early in 2009, while the UN Special Committee on Peacekeeping Operations is in session, the President should set out the following principles and policy goals:

Affirm that the United States and the United Nations share common goals in expanding the writ of human rights and realizing human dignity, which in turn requires international peace and human security

The majority of UN member states are poor, less than free, and often difficult to deal with. As a global institution, the UN includes the world's worst human rights offenders but also its strongest human rights proponents. Moreover, the UN Charter and the Covenant on Civil and Political Rights reflect Western values on a global stage. The General Assembly regularly votes budgets for peace operations that Washington sees fit to support in the Security Council, and those budgets are cleared first by a committee of 16 states on which the United States has nearly always had a strong voice. UN operating agencies working outside the realm of high politics and security provides a wide range of services in food aid, refugee support, human rights support, global public health, vaccinations against childhood diseases, and nuclear nonproliferation.

Offer strong support—in cash and kind—to every UN peace operation for which it casts its vote in the Security Council and set an example for others by promptly contributing the US share of UN peacekeeping costs

The UN is precluded from borrowing to finance its operations, so when the Security Council votes to support a mission, the UN must rely on Member States' payments towards the mission's "assessed" budget to get things underway. The State Department frequently under-budgets for UN peacekeeping operations, and the Office of Management and Budget in recent years has cut those requests further, making it up later with "supplemental" requests. Indeed, day-to-day US-UN relations on matters of peace and security are driven more by cost considerations than they are by US interests. Even UN missions launched with urgent US backing may not receive US funds for months unless they can hitch a ride on a timely supplemental in Congress. US delays encourage other member nations to hold back funds, and UN peacekeeping operations, as a result, are chronically in arrears, jeopardizing the people, places, and peace that such operations are intended to protect.

Support the continued restructuring and strengthening of UN headquarters' offices that plan and support peace operations

Secretary-General Ban-Ki Moon proposed, and the General Assembly approved, splitting the Department of Peacekeeping Operations into two parts, one (which keeps the old name) that is focused on policy, strategy, and planning, and another (the Department of Field Support) that is focused on finance, personnel, logistics, and communications. The General Assembly also agreed to add 287 staff to UN Headquarters support of peacekeeping, bringing the total New York staff to about 1,200, to manage up to 130,000 personnel in the field. Its cost, together with that of the UN's main peacekeeping logistics base at Brindisi, Italy, is five percent of the UN's peacekeeping budget.

Promise temporary US military support, in collaboration with its NATO allies, for UN operations that experience trouble from local spoilers or terrorist activities

In spring 2000, in Sierra Leone, Britain turned a non-combatant evacuation operation into a mini-counterinsurgency campaign against the armed gangs that threatened both the country's fragile peace and a wobbly new UN peacekeeping operation. A British contingent stayed on to train and mentor Sierra Leone's army, while the UN operation restructured itself and ended up doing a creditable job, withdrawing in 2005.

In 2004, in Haiti, US armed forces led a coalition of the willing that preceded and then handed over to a UN operation. Such US deployments can and should run in parallel, however, as British, French, NATO, Australian, and EU operations have done, should a UN operation need extra help or run into trouble.

Pledge strong and sustained US diplomatic and political support to UN peacekeeping operations, but insist that governments discipline troops who violate international humanitarian law

Every successful peace operation has had the strong support of at least one great power. Such support does not guarantee success. But its absence is nearly a guarantee of failure. Similarly, disciplined and professional troops are essential to protect vulnerable post-conflict populations. Future eligibility for US-supported training programs like the Global Peace Operations Initiative should be tied to recipient states' willingness to undertake disciplinary procedures against troops who commit crimes while on UN peacekeeping duty and to their willingness to publicize the results.

What's on the Line

As all-consuming as the conflicts in Iraq and Afghanistan are at the moment, there is a world of hurt beyond their borders. How much can or should America try to help, either on its own, or in the company of other states? The question will probably never be answered precisely because politicians want and need the flexibility to adapt as problems change and challenges evolve. But it can be answered in broad terms. Even after the United States is substantially disengaged from Iraq, the country will find it both cost-effective and politically expedient to lean on other states and organizations to help it advance shared strategic interests in international peace, security, justice, and prosperity. Promoting such interests is too big a job for any one country to shoulder alone, but by working with allies and institutions like the UN, we can share that burden and earn back the respect of the world.

Text based upon "Peace and Stability Operations: Challenges and Opportunities for the Next US Administration" written by Dr. Durch for the Better World Campaign.

Dr. William J. Durch

Prior to joining the Center in 1990, Dr. William J. Durch served in the US Arms Control and Disarmament Agency, as a Research Fellow at the Harvard Center for Science and International Affairs, and as Assistant Director of the Defense and Arms Control Studies program at the Massachusetts Institute of Technology. Since joining Stimson, he has been seconded as a Scientific Advisor to the US Defense Threat Reduction Agency and served as Project Director for the United Nations Panel on UN Peace Operations (the Brahimi Report). He also serves as a consultant to the multinational Challenges of Peacekeeping project and directly for the United Nations on projects focused on improving the effectiveness of peacekeeping at headquarters and in the field. Dr. Durch has lectured extensively on peacekeeping at US colleges and universities and has taught at the Paul Nitze School of Advanced International Studies at Johns Hopkins University, the Elliott School of International Affairs at George Washington University, and the Walsh School of Foreign Service at Georgetown University. He holds a PhD from the Massachusetts Institute of Technology, an MA from GWU, and a BSFS from Georgetown.



Additional Analysis

For additional original research on peace and stability operations, please read these Stimson publications:

- *“Enhancing United Nations Capacity to Support Post-Conflict Policing and Rule of Law”* (Stimson Center, 2007)
- *“Post-Conflict Borders and UN Peace Operations: Part II, A Phased Approach to Post-Conflict Border Security”* (Stimson Center, 2007)
- *“Twenty-First-Century Peace Operations”* (USIP, 2006)
- *“Who Should Keep the Peace? Providing Security for Twenty-First Century Peace Operations”* (Stimson Center, 2006)
- *“The Brahimi Report and the Future of UN Peace Operations”* (Stimson Center, 2003)

Global Health Security: A Long-Term Prescription



Dr. Julie E. Fischer

The Challenge

We need a coherent global health strategy that looks beyond each crisis to the bigger picture. The 2003 SARS outbreak, when a new and virulent pneumonia spread by international travelers killed hundreds and wreaked havoc on Asian economic growth, illustrated the vulnerability of even developed nations to emerging infections. The ongoing HIV/AIDS epidemic highlighted intractable cycles of poverty and disease. In response, the US invested billions of dollars in confronting health threats abroad—one disease at a time.

The Context

The economic and human costs of the anthrax assaults, SARS epidemic, and simmering outbreaks of an avian influenza strain with pandemic potential catapulted public health issues onto the US national security agenda. A new appreciation of the impact that HIV/AIDS and other disease burdens might have on socioeconomic and political stability in fragile states simultaneously catalyzed a new focus on the nexus of health, development, and security. US policymakers have created dozens of global health initiatives and appropriated previously unprecedented sums to fund them, including the largest single health assistance program in history: the President's Emergency Plan for AIDS Relief (PEPFAR) with a commitment of \$15 billion over 5 years. Concerns about the likely impact of pandemic influenza prompted the US to pledge to strengthen disease detection and response capabilities in nations where conditions might favor emerging diseases. Responsibility for planning and implementing the hugely amplified US global health mission remains spread among various agencies, with different interagency coordinating and oversight bodies for specific diseases and no clear mechanism for resolving competing priorities.

The new Administration and Congress face a set of complex health security challenges, including how to reconcile competing health and security demands, define metrics of success, cultivate expertise within government agencies, and define US global health leadership. Global health concerns are also deeply intertwined with a much broader set of issues that include food security, access to clean water, energy demands, environmental use and degradation, and climate change.

Where to Start

Approach health systems holistically rather than lurching from disease to disease or crisis to crisis

Current US global health strategies treat emerging health concerns, such as potential bioterrorism or pandemic influenza, as threats distinct from each other as well as from challenges such as HIV/AIDS and malaria, creating disease-centered programs stove-piped in operation and leadership. This reinforces perceptions that programs aimed at securitized threats such as pandemic influenza compete against (rather than synergize with) “pro-poor” strategies such as maternal-child health promotion that may strengthen health systems across the board, leading to desirable outcomes and better host-nation buy-in. Vertical programs not only fail to build health systems consistent with local needs, but may bypass opportunities to reap additional benefits at modest cost – for example, by creating an infrastructure to deliver anti-retroviral therapy AND childhood immunizations. The costs of the largest US vertical program, the current PEPFAR treatment strategy, could grow to as much as \$12 billion a year before 2018, a dependency that can be neither sustained nor abandoned without serious repercussions.

The US benefits from new international health regulations that require all states to build capacity to detect and report health threats to the WHO in real time. US commitments to help nations meet these obligations and local priorities simultaneously by strengthening health systems should help nations prepare for unexpected and predictable threats, and avert resentment against a “responsibility to detect” perceived as a service to benefit wealthy states. A horizontal approach to health would also allow the US to consider noncommunicable diseases when weighing the most effective points for global health interventions. While the growing burden of non-infectious diseases in developing nations may not pose a direct threat to US citizens at home and abroad, the cost of treating these chronic conditions over decades may destabilize economies and governments as surely as any outbreak.

Identify a single focal point within the White House to set global health strategy and coordinate priority setting and funding allocation

The State Department’s special representatives for HIV/AIDS and avian and pandemic influenza have been charged with coordinating all US government efforts to confront these two diseases abroad, with input from the Homeland Security Council as well as other agencies. The Departments of Health and Human Services, Homeland Security, Defense, Commerce and Agriculture and USAID provide technical expertise, transfer resources, and help shape health dialogues with other nations and multilateral organizations. Rapid expansion of US global health programs spurred ongoing inter- and intra-departmental reorganization, with no single authority to harmonize global health policies and actions, nor consensus on a central goal. As the US moves from an “emergency” plan for AIDS relief to the long haul and public clamor for an effective shield against pandemic influenza waxes and wanes, effective senior global health leadership is needed to reconcile US defense, development, and diplomatic goals as effectively as possible.

Strengthen US commitment to working in concert with, rather than parallel to, multilateral organizations with similar global health missions

US programs often duplicate the efforts of other donor nations, the World Health Organization (WHO), and public-private partnerships such as the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Competing health pro-

grams create administrative burdens that further drain human resources in nations already strained by workforce shortages. In its multilateral health engagements, the US has also emphasized policies to satisfy domestic political constituencies (for example, restricting harm reduction strategies that can limit HIV transmission) over evidence-based practices likely to yield the greatest health security benefits. The US exerts tremendous influence through experts from agencies such as the Centers for Disease Control and Prevention (CDC), but large-scale philanthropy from organizations such as the Gates Foundation will allow public-private partnerships and multilateral organizations increasing independence of the US in global health decision-making. To maintain the credibility of its leadership in global health, the new US Administration should lead efforts within WHO, UNAIDS, and other international forums to share information on health aid and technical data on health crises transparently and promptly, and to identify universally acceptable evidence-based metrics for health assistance programs with similar goals.

Look at the bigger picture: contribute US expertise to analyzing global health trends in the context of climate change, energy demands, environmental conditions, and food and water shortages

Policy decisions regarding global health are not made in a vacuum. Health status is deeply intertwined with other issues. The ripple effect of policy decisions in one of these deeply intertwined areas is vividly illustrated by the recent biofuels near-debacle: the decision by governments in several developed nations to shift enormous resources into biofuels due to rising oil prices and the political popularity of environmentally friendly policies created a massive and sudden market for biofuel crops such as corn and sugarcane. The abrupt diversion of agricultural resources from food supplies into more lucrative biofuel crops exacerbated a growing food security problem for the world's poorest populations as food prices rose precipitously. Poor nutrition increases vulnerability to infectious disease outbreaks at the population level and maternal mortality, and can hamper intellectual and physical development in children. The clamor for biofuels, a short-term solution to meet energy demands, may have perpetuated a health crisis that will endure long past the return of lower oil prices.

In addition to posing direct threats to health, such as expanding regions hospitable to mosquitoes that carry malaria and other diseases, climate change will exacerbate existing global health challenges. Regardless of the outcome of future climate change negotiations, the US must commit its considerable scientific and technical expertise to anticipating and analyzing these interdependent challenges, and endorse efforts by experts working under the aegis of UN agencies to predict the long-term health impacts of climate change, energy, and food security policies.

What's on the Line

In the absence of clear leadership and vision on global health issues, the US risks investing enormous sums that ultimately fail to protect its interests at home and abroad. Narrow disease reporting systems shored up in partner states might offer a false sense of security, even as the next SARS or HIV takes root to claim American lives and fracture interdependent economies. Humanitarian crises, including millions of ultimately preventable deaths, will continue to ripple through strategically critical regions burdened by HIV/AIDS and other scourges. Moreover, a continued US focus on bilateral, vertical programs rooted in a state-centered security framework may further damage the legitimacy of US leadership as the international community leans toward collaborative global health solutions.

Julie E. Fischer

Dr. Julie E. Fischer leads the Henry L. Stimson Center's Global Health Security program. Dr. Fischer is a former Council on Foreign Relations International Affairs Fellow (2003-04) and American Association for the Advancement of Science Congressional Fellow (2000-01). As professional staff with the Senate Committee on Veterans' Affairs, she worked on issues related to domestic terrorism preparedness and the consequences of biological, chemical, and radiological exposures during military service. She served as a senior research fellow at the University of Washington/Seattle Biomedical Research Institute, and an independent consultant to a Thai-U.S. collaboration aimed at strengthening Thai capacity to identify and control emerging infections of regional and global significance. Dr. Fischer received a BA from Hollins University and a PhD in microbiology and immunology from Vanderbilt University.

Additional Analysis

For additional analysis by Dr. Fischer, please read the following publications:

- *"Observations on China's new biosafety and biosecurity framework"* (in Beijing on Biohazards: Chinese Experts on Bioweapons Nonproliferation Issues, James Martin Center for Nonproliferation Studies, 2007)
- *"Stewardship or Censorship: Balancing Biosecurity, the Public's Health, and the Benefits of Scientific Openness"* (Stimson Center, 2006)
- *"Dual-Use Technologies: Inexorable Progress, Inseparable Peril"* (Center for Strategic & International Studies, 2005)
- *"Speaking Data to Power: Science, Technology, and Health Expertise in the National Biological Security Policy Process"* (Stimson Center, 2004)



America's security depends on the new Administration placing the highest priority on reining in the **nuclear danger**.

—*Barry Blechman*

While the United States cannot resolve the bilateral issues between the countries of **Northeast Asia**, it can—and must—forge a policy that contributes to greater mutual trust and a set of relationships among them that is conducive to long-term stability and to a sense of shared economic destiny.

—*Alan Romberg*

The new Administration must answer serious questions of resource allocation regarding peace and stability operation and make it clear that it supports an effective **United Nations**.

—*Bill Durch*

The challenge for the US is to recalibrate **Afghanistan** policy in a time of acute crisis, while developing more long-term strategies for engaging **Pakistan**.

—*Amit Pandya*

While not abandoning our commitment to help **Iraq** achieve stability, the United States needs to integrate its efforts in Iraq into a broader policy toward the Middle East that promotes pragmatic relationships in a region still rife with turmoil and mistrust.

—*Ellen Laipson*

It is urgent for the new Administration to **rebalance the [national security] portfolio**, ensuring that the military is restored and capable, and that our diplomatic and foreign assistance tools are structured to be effective and adequately funded.

—*Gordon Adams*



1111 19th Street, NW, 12th Floor
Washington, DC 20036
p 202.223.5956 | f 202.238.9604
www.stimson.org

Transnational Threats photo: Pedro Ugarte/Getty Images
Regional Security photo: © Curt Carnemark/World Bank
Effective Institutions photo: UN Photo by Stuart Price
All other photos by Kaveh Sardari, Sardari Group/www.sardari.com