STRATEGY RESEARCH PROJECT

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AN ALTERNATIVE NATIONAL SECURITY STRATEGY: ELEVATING THE ECONOMIC INSTRUMENT OF NATIONAL POWER

BY

LIEUTENANT COLONEL STEPHEN D. HAWKINS
United States Marine Corps

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by

LtCol Stephen D. Hawkins
United States Marine Corps

Dr. Robin H. Dorff
Project Advisor

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

ABSTRACT

AUTHOR: LtCol Stephen D. Hawkins, USMC

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This research project argues for an integrated approach to National Security. It follows the ends-way-means framework for strategy development, and focuses on our current interests and the threats to those interests. Specifically, it argues that failing states and transnational threats are the main threats to stability in the post-Cold War world. Further, the root causes of those threats are relative economic deprivation and the lack of legitimate governance. Therefore, in order to deal with the root causes, the U.S. should elevate the economic instrument of national power to a position of relative prominence among the other instruments. Moreover, we should employ a competitive strategy that includes private investment and uses our comparative economic strength to defeat the threats to stability. Finally, to help set priorities we should identify regional growth engines for economic development.

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AN ALTERNATIVE NATIONAL SECURITY STRATEGY: ELEVATING THE ECONOMIC INSTRUMENT OF NATIONAL POWER

NSC-68 was drafted because it was needed. The termination of World War II created the iron curtain and a world defined by two super powers. Reflective of this time, NSC-68 represented a "realist" approach, aimed at the balance of power, and was the first national security strategy based on a true net assessment. The strategy it contains is the result of ends-ways-means analysis, and provides a long-term vision for the containment of communism. NSC-68 defines the military as the primary instrument of national power to hedge against dangerous threats. However, administrations responsible for implementing this strategy were acutely aware of the costs of military primacy. President Eisenhower's "New Look" military policy highlights this point. Eisenhower believed that the moral, political and economic instruments of national power were preeminent in the struggle against communism.[1] Further, it was widely believed that without American leadership communism would prevail.

A vigorous economy was the fundamental instrument of national power in Eisenhower's grand strategy. NSC 162/2 outlines the basic problem of national security policy as meeting the threat to U.S. security without weakening the U.S. economy.[2] In a letter to Secretary of Defense Wilson, dated January 5, 1955, President Eisenhower underscored his policy

that "true security for our country must be founded on a strong and expanding economy."[3] Our economic growth, or the development of the economic instrument of national power, was clearly the priority. This strategy gives us our economic strength today, and provides us two robust elements of national power to shape the world, namely, military and economic.

However, today the Cold War paradigm is gone, and we are left with institutions and processes that were developed for a completely different environment with different threats. For the first time in our history, we have, during an inter-war period, a standing military, with all the equipment, personnel and infrastructure to fight a major theater war (or two). Our industrial base is established and productive, and the warfighting hierarchy is mature, differentiated and integrated. Nevertheless, we must question whether such institutions are capable of dealing with the post-Cold War World. To answer that question we need another "net assessment" or "strategic review" of the security environment.

The central problem today is that we respond using old ways to solve new problems, with lower likelihood of success. Absent a new net assessment, we naturally gravitate towards the military to deal with an entirely new type of threat. However, is the military the appropriate instrument of national power to

deal with the threats to our interests? What are our interests, and the threats to those interests?

This research project argues that we need an integrated approach to National Security. It follows the ends-way-means framework for presenting a new National Security Strategy, and focuses on our current interests and the threats to those interests. Specifically, it argues that failing states and transnational threats are the main sources of instability in the post-Cold War world. Further, the root causes of those threats are relative economic deprivation and the lack of legitimate governance. Therefore, this paper argues that the U.S. must elevate the economic instrument of national power in order to deal with the threats to our interests. This paper begins with a discussion of strategy framework, then provides a current strategic assessment. An examination of the current National Security Strategy follows, along with a proposal for a new strategy. Finally, a brief discussion on South Africa serves as an illustration of the proposed strategy of economic engagement.

STRATEGY FRAMEWORK

The ends, ways and means framework for developing National Security Strategy reflects a process that has its roots in our national values. As the legal, philosophical and moral basis of

our system, values are the core of our national interests.[4] The strategy development framework begins with identifying our national interests external to the United States. Interests are our perceived needs and aspirations, and determine our involvement in the rest of the world, provide the focus of our actions to assure their protection, and are therefore the starting point for defining our objectives, or "ends."[5] Once we identify our objectives, we can conduct a strategic appraisal in order to identify world order trends, as well as threats and challenges to our interests and opportunities to promote them. The next step is the development of strategic concepts, or "ways" to achieve our ends, which involves identifying how we will employ our national resources ("means") in pursuit of those ends.

Defining Interests

In his book America Overcommitted: United States National Interests, Donald E. Nuechterlein defines the national interest as the well-being of American citizens and U.S. enterprises that are outside of the United States.[6] He further states that our national interests change based on special interests, domestic politics, and changing world conditions.[7] There are, however, unchanging national interests, which he divides into four categories. ***Defense of homeland*** is our fundamental interest, and involves the protection of our people, territory and

institutions against external threats.[8] ***Economic well being*** is the protection and promotion of international trade and private investment outside of the United States.[9] According to Neuchterlein, this is historically our most important interest because geography made it possible to concentrate on trade and commerce rather than on the defense of our territory. ***Favorable world order*** is an international environment characterized by collective security and alliances.[10] The objective of this interest is an international security system that resolves disputes between nations without resort to use of force. ***Promotion of values*** involves an ideological interest that maintains our values are universally good and worthy of emulation.[11] The aim of this interest is to create an environment where nations share those democratic values that nurture market economies and respect human rights.[12]

Another crucial component in developing a national security strategy is identifying the intensity of our interests. This process requires a concise statement of objectives expressed as desirable conditions. For example, Robert D. Blackwill defines our national economic objective as "prosperity through free market principles which will bring real improvements in the US standard of living and quality of life."[13] From such concise objectives flows the intensity of interests, defined as vital, important or peripheral. Vital interests exist where *serious*

harm to the security of the nation will result if strong measures are not quickly taken.[14] They also include issues that are so important to a nation's well being that the leadership refuses to compromise beyond a point that is tolerable.[15] Important interests exist where *potential* serious harm comes to the nation if no action is taken to counter an unfavorable trend abroad.[16] They include issues that are important but not crucial to national well being, and therefore require serious study but not immediate action.[17] The peripheral interests do not seriously affect the well being of the nation as a whole, even though they may be important to private interests operating abroad.[18] Interests in this category suggest monitoring rather than action.[19]

Determining interest intensity requires analysis by geographical region. For example, favorable world order is a vital or important interest in Europe, but is a peripheral interest in sub-Saharan Africa. Instability because of ethnic strife in the Balkans is met with greater urgency and resolve than instability caused by ethnic fighting between the Hutus and the Tutsis in Rwanda. However, we actually intervene militarily in sub-Saharan Africa with greater frequency than we do in other regions where our interests are more intense. This creates a threats and interests mismatch, which is discussed later in the strategic assessment.

The available resources to protect U.S. interests are the political, diplomatic, economic, military and informational instruments of national power. An integrated approach to national security accounts for all of these, and further involves the fusion of management and leadership that is focused on a strategic vision. Efficient management requires an interagency process that is structured rather than ad hoc. Effective leadership includes a clear statement and articulation of goals, a commitment to long-term objectives, and the ability to mobilize support for accomplishing the goals and objectives. However, we must question the degree to which we currently integrate the available resources to meet our objectives.

It is not difficult to argue that our current approach to national security is ad hoc. Our values and interests are defined, but our execution lacks focus. The United States is engaged globally, but we are reactive instead of proactive. Our choice for a grand strategy is engagement, which reflects our values and our standing as the "world's only remaining super power." Rogue actors do not allow us an isolationism option--as a nation we simply will not ignore incidents of human suffering or egregious acts of violence. Consequently, we frequently react by employing military power to respond to crises without fully integrating the other elements of national power.

We do, however, have a choice in how we engage. The ends, ways and means construct of National Security Strategy development and implementation provides a process that in theory integrates all the elements of national power. Moreover, if a strategy were developed based on a true net assessment, the result would be a long-term strategy that employs the economic element of national power to a greater degree in order to shape the world and *prevent* crises.

Numerous shortcomings of the current process prevent such a truly integrated approach. The interagency process (interagency is an adjective, not a noun) tends to bring the agencies together in times of crisis. Outside of that, each agency develops a strategy in order to justify its current budget base, and to argue for incremental increases and against cuts. The Pentagon, State Department and other members of the NSC constitute a Cold War apparatus, each with separate budgets that compete for scarce resources. This results in classic organization behavior, where institutions strive to elevate their status in the budget by generating the most "activity" as opposed to "productivity." Our current National Security Strategy is "coordinated" through the NSC staff, and has a year-to-year focus. Consequently, it lacks a long-term view for investment in stability because such a long-term strategic view "won't play in Peoria."

STRATEGIC ASSESSMENT

The international trends in a multi-polar, post-Cold War world are developing along many paths. The international system of the Cold War *divided* the world with walls. The present international system *integrates* the world through technology, communications and markets. There is great potential for the spread of liberalism, emerging free-markets and a period of prosperity. However, this period also continues the post-1945 trend of decolonization. As much as integration and interdependence are sources of stability, decolonization and fragmentation are sources of instability.[20]

This strategic assessment begins by defining our objectives in the post-Cold War world. An analysis of some emerging trends follows, along with a discussion of opportunities for the future. Finally, it provides an assessment of the way we implement our current National Security Strategy.

Defining Objectives

United Nations Resolution 377A, "Uniting for Peace Resolution," which was passed on 3 November 1950, reflects the lessons learned during and after World War II. It states that the purpose of the United Nations is "to develop friendly relations among nations based on respect for the principles of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace." The

objective of this time was international security built upon three pillars: collective security, an international economic system, and the transition of post-colonial states to democracy.[21]

The term collective security describes a system very different from the alliance system.[22] When first introduced, the Wilsonian doctrine of collective security was a sharp contrast to the balance of power doctrine. Collective security is an example of idealism, and balance of power represents realism. The doctrine of collective security involves the creation of an international system in which aggressive behavior of any state is met with moral, diplomatic, economic and military elements of power of all the other states *within* the system.[23] States cooperate in the common cause of guaranteeing security and justice to all. On the other hand, balance of power doctrine focuses on competitive alliances that are decentralized and use coercive actions to affect the general power situation.[24]

In summary, the goal of collective security is to show nations that by behaving cooperatively within an international system, all nations benefit from that interaction.[25] On the other hand, collective defense strives to affect the balance of power through alliances and thereby influence the behavior of nations outside of that system. These strategies competed during the Cold War, with collective defense (as represented by

NATO) prevailing. The military instrument of national power was the primary means used to maintain a balance of power, which tended to downplay the other instruments, notably the economic instrument. In addition, the pillars of post-colonial democratization and an international economic system were downplayed in favor of containment and the ideological struggle between capitalism and communism. However, we now need to again build on all three of the pillars of the post-World War II strategy. We must continue to develop an international system where members share interests and benefit from cooperation. In addition, the system should strive to assist transitioning nations toward development, thereby increasing the number of participants in the stable world order. ***Therefore, the objective of a National Security Strategy should be to create a favorable world order through economic prosperity founded on democratic or free market values.*** Having defined our objectives and interests, we will now examine current and future trends, as well as threats to our interests.

Trends

Economic interdependence through technology, communications and expanding markets will continue. The result is nation-state economies that are more dependent on international trade and global financial markets. Consequently, the economic policy of one nation is influenced by international organizations, and by

the economic policies of other nations.[26] This is a positive force so long as all participants are cooperating and prosperous. However, there is also a negative trend emerging from this positive force, namely disintegration. Communications and information technology do more than create a "borderless" world; they also make it easier to exploit ethnic and religious differences.[27] When combined, these forces of disintegration lead to the most alarming trend, namely the instability that results from failing states.

The transition to a democracy or market economy is difficult absent mature institutions for resolving conflict.[28] Without such institutions, transitioning states rapidly become failing states, whose characteristics are transnational threats, mass civil violence, famine and disease.

While the trend towards failing states is clear, the root cause is not. Economic decline that leads to economic deprivation is one possibility. This creates a mismatch between desired ends and the available means to achieve them, which results in tiered economies that consist of haves and have-nots. Corruption and illegitimate government institutions fuel this condition by restricting access to wealth. This creates a void where the middle class should be, and produces the conditions for civil strife and violence.

Threats and Opportunities

The trends described above produce many threats to our interests during this period of integration and disintegration. The reason is that many nations are the most volatile and unstable as they transition to democratic governments and market economies.[29] Current threats are regional or state-centered threats, transnational threats, and threats from weapons of mass destruction.[30] These categories provide a point of departure for future threats. Terrorist organizations will continue to develop as ethnic, cultural and religious differences spread. Terrorism, coupled with the increasing availability of nuclear, biological and chemical weapons, poses a serious asymmetric threat to U.S. interests, to include vital interests.[31] Terrorist groups also pose a threat in emerging forms of warfare, such as economic, environmental, and information warfare. Increases in technology, and the availability of weapons, lead to the growth in asymmetric threats. As we pursue our strategy in this post-Cold War era, we must account for these diverse threats.

A smaller, integrated, interdependent world amplifies the effects an external threat has on national security. Communications, transportation and information all increase the immediacy of threats. Additionally, technology and other integrative trends decrease geographic proximity and increase the infectious nature of transnational threats.[32] Crime, drugs,

terrorism (to include cyber-terrorism) and environmental disasters can rapidly permeate borders. For example, hot zone diseases in sub-Saharan Africa are a non-stop flight away from New York City.[33] Our interest in such a scenario is defense of the homeland, and the intensity increases from peripheral to important or even vital as diseases reach our territory.

As discussed in a previous section, the trend towards instability caused by failing states poses a threat to our interests, but we have yet to determine the root cause or causes of that threat. One characteristic of a failing state is civil violence. In an attempt to explain the cause of civil violence, Ted R. Gurr points to relative deprivation as the basic determinant between civil behavior and civil strife:

> "The fundamental cause of civil strife is deprivation-induced discontent: the greater the discrepancy between what men believe they deserve and what they think they are capable of attaining, the greater their discontent. The more intense and widespread discontents are in society, the more intense and widespread the strife is likely to be."[34]

Specifically, relative deprivation is defined as the perception of a discrepancy between an individual's value expectations and the environments value capabilities.[35] This describes the condition of "haves" and "have nots" that exists when people feel they are entitled to the same benefits as others in a society, but are denied access by the government or other actors who control the market. The greater the disparity, or relative

degree of deprivation, the greater the frustration and potential for instability. As we have seen earlier, technology and communications enhancements heighten the sense of relative deprivation as have nots see what other environments provide. Technology also provides the disgruntled individuals and groups with greater and more dangerous forms of weaponry.

Legitimate governance, or rather illegitimate governance, contributes to relative deprivation. In The Legitimation of Power, David Beetham describes the requirements of legitimacy as rule derived (legal) validity, the justifiability of those rules, and expressed consent.[36] He maintains that

> "The collapse of government, coup d'etat, invasion, civil war - these are some of the characteristic outcomes, probable rather than inevitable, of the dynamic processes of interaction between governments and their subjects where legitimacy is in some respects weak or absent."[37]

An absence of legitimacy allows one party, or in many cases an ethnic community, to benefit while imposing deprivations on others. Again, this fuels the perception of haves and have nots, and creates the conditions for relative deprivation.

Although there are many new threats to our interests, there are also many opportunities to create a stable, prosperous environment. The "theory of the democratic peace" provides an example of current and future opportunities. According to some, democracies do not go to war with other democracies. The

underlying premise is that countries with shared values have common interests and a stake in the stability and security of an international system. An international system of democracies also imposes public checks and balances on otherwise aggressive leaders. However, creating mature democracies out of failing states may be a bridge too far. Instead, we should adopt a theory of "economic peace," and maintain collective security within an international system through economic interdependence. In this case, checks and balances exist in the form of opportunity costs, or the cost of selecting one course of action over another. The assumption is everyone has something to gain by cooperating in the system, and therefore something to lose by not cooperating. This increases the economic stakes as well as the costs imposed for rogue behavior. In addition, fledgling economies can participate in the international economic system regardless of the strength of their economy, or the disparity of conditions between nations. Participation gives them a stake in the system, and increases their potential for economic growth. Consequently, the opportunity costs increase for rogue behavior, and stability is maintained from within the system.

Economic peace is also consistent with our values and objectives. If done properly, investing in fledgling economies increases our own economic prosperity. That is not to say we should not focus on the democratization of transitioning states,

clearly we should do so. Nor should we ignore human rights violations, because we cannot ignore our own core values. *Nevertheless, we should seize the opportunity to deal with sources of instability without imposing unrealistic standards of democracy as a requirement to participate in an international system of cooperation.* Participation increases the opportunity costs of undesirable behavior or actions to all the participants, because the cost of violating norms of behavior is economically too high. Therefore, economic interdependence and market integration allow us the opportunity to influence others in the system. This approach requires long-term investment to deal with the root causes of instability and to prevent crises, something our current strategy tends to downplay.

Analysis of the Current National Security Strategy

The three core objectives, or ends, of the 1998 National Security Strategy (NSS) are to enhance security, to bolster America's economic prosperity, and to promote democracy abroad. Shaping the international environment through engagement is the way we achieve those ends, and we use all of our elements of national power (diplomatic/political, economic and military) as the means.[38] Choosing which interests to protect, and the ways to protect them, is a function of matching interests with threats. To achieve this our current policy is defined as "selective engagement." Presidential Decision Directive 25

(PDD) defines this policy as making "disciplined and coherent choices about which operations to support." In other words, depending on the interest at stake, and the level of the threat, we will make a rational decision about which interests to protect. However, this in not entirely consistent with our actions. Many times the threat does not meet the level of interest, or vice versa, but we employ the military instrument of power anyway. This represents an interest-threat mismatch.[39] As we survey the various regions, we see that some vital interests have no threats against them, and some peripheral interests are threatened. Lack of discipline in our choice results in our reacting to threats with major commitments and resources because it is severe, rather than because it is related to a national security interest and a core national objective.[40] Eliminating this mismatch can only happen if we choose not to engage, eliminate the interest, or discount the threat.[41] This is unlikely given our stated objectives.

Shaping and Responding with Military Power

The use of conventional forces as a means to deter aggression and coercion requires credibility and commitment. This is quite different from nuclear deterrence, where if we used force, it meant that deterrence had failed. If conventional force is to be a valid instrument of shaping, it must be used quickly and effectively. The current strategy uses

limited military force to meet limited political objectives. Given the degree of instability in the world, we conduct many small-scale contingency operations. We are shaping and responding, but barely covering the "prepare" part of the military strategy. We are overextended because of an interests-threats-resources mismatch. Our interests are global, the threat is ambiguous, and we frequently commit forces based on unknown risk, which results in a military response to threats to our peripheral, important and vital interests. There is no distinction, and the cost of each is high because we sometimes use a force prepared for total war for peacekeeping or humanitarian operations. *In essence, we use the military element of national power as part of a competitive strategy to defeat the threats to stability.* This approach serves only as a short-term intervention that changes a condition or behavior, but does little to solve the root causes of instability.

Shaping and Responding with Economic Power (Sanctions)

Another way we shape the world and respond to crises is with economic sanctions. Applied as part of a coherent strategy, economic sanctions are a useful tool for enforcing international norms and protecting our national interests.[42] However, used in inappropriate ways, sanctions can damage long-term policy objectives, and reverse the benefits of previous political, diplomatic or economic efforts. Economic sanctions are our

diplomatic weapon of choice for responding to rogue actors. Of the 115 times the U.S. has employed economic sanctions for foreign policy purposes since World War I, 61 of those sanctions have occurred since 1993.[43] The frequency with which we use sanctions does little to support the principle that sanctions are a last resort. Because sanctions damage both national and private interests, they should be used only after other diplomatic and political options have been pursued.

The effectiveness of unilateral sanctions in today's global interdependent world is diminished. There are few countries where the U.S. is the sole supplier of goods. Therefore, we cannot prevent other countries from trading with targets of our sanctions. Consequently, multilateral support is essential if sanctions are to be a truly effective way to influence the behavior of other nations.[44]

Lastly, the costs of sanctions are often displaced onto the innocent population by the target country's government. Likewise, the target government can use the sanctions to isolate and punish any forces acting against it. Therefore, sanctions must be part of a coherent strategy designed to improve behavior by imposing costs on the target country. They are ineffective when they increase costs to U.S. interests, and pointless when imposed merely to make a statement.[45]

A NEW STRATEGY

The United States has abundant resources to protect and promote our interests against the threats and challenges identified. In addition, we have the resources to take advantage of the many opportunities that exist today. Our economic power is as overwhelming as our military power. Given the abundance of our economic resources, we have the ability to employ the economic instrument of national power in a competitive manner and to the same degree as we use military power. However, we lack a long-term, large scale, economic development plan for those regions where our interests are threatened.

For example, consider the current situation in the Balkans. In FY1999 the State Department requested $15 million for the Support for Eastern Europe and Democracy (SEED) program in Serbia-Montenegro.[46] Our interests in that region are clear, as are the threats. Our desire to promote stability was evident in Bosnia-Herzegovina, where we spent over 100 times that amount in 1998 to re-establish security and stability with military power.[47] In this example, there is a great disparity between the cost of using the military instrument and the other instruments of national power to shape the region. Therefore, it is worth considering whether a long-term economic investment plan, aimed

at dealing with the causes of instability in the region, might prevent this type of crisis and save resources in the long run.

ALTERNATIVE WAYS: LONG TERM ECONOMIC DEVELOPMENT

An alternative to our current strategy is to shape the international environment by addressing the root causes of instability with the economic instrument of power. This approach targets transitional states for economic development and democratization by implementing a long-term competitive strategy that fights instability caused by relative deprivation, and creates legitimacy that allows healthy markets to develop. Such a strategy decreases the need for military interventions and economic sanctions, and thereby reduces the costs associated with crisis reaction. An important part of this alternative is understanding that external influence, whether in the form of foreign aid or military intervention, achieves only limited objectives without the willing participation of the transitional state. Further, private investment is required for significant long-term economic development. In order to achieve long-term stability, the conditions that promote and sustain investment must exist. However, internal security, achieved with military power, is only one piece of the broader strategic solution. We need to leverage our other strengths to achieve long-term stability and security.

An alternative approach to military intervention uses our comparative economic advantage to compete with threats to stability in regions where our interests lie. A competitive strategy requires us to get ahead of instability through long-term planning. Specifically, a competitive strategy aligns our strengths against a competitor's weakness and produces a plan to gain a long-term advantage.[48] This is the strategy used during the Cold War against the Soviets, only the focus was on using our military advantage to defeat the threat.[49] The proposed alternative uses our economic advantage to compete with threats to stability, namely deprivation and illegitimate governance. We achieve this by providing aid and assistance aimed at creating the conditions that will encourage private investment. This involves defeating corruption while supporting institutions that provide access to wealth by all members of society, thereby reducing the negative effects of economic deprivation.

However, it is not feasible to compete with all threats in all regions. We must identify regions where our interests are pronounced and the threats to them are significant. Otherwise, the costs associated with shaping and responding erode our comparative economic advantage. In short, it is too expensive, as well as unrealistic, to completely eradicate instability everywhere. Rather, an effective strategy must focus on countries within regions that have the potential to succeed, and

the ability to exert a positive influence on other countries in their region. In short, we need to consider a strategy that targets "pivotal states" in key regions as the vehicle for promoting greater stability and security worldwide.[50] These target states will subsequently serve as regional growth engines.

Investing in regional growth engines builds on a competitive economic strategy and provides an alternative way to achieve stability in a region. Here we elevate the economic instrument of power and use it to develop a long-term strategy focused on defeating threats to internal security, international economic development, and democratization in transitional states. This approach recognizes that we cannot save every failing state, but that we can enhance stability in regions through successful policies in one state.[51] It is also a meaningful way of setting priorities, i.e. where to invest our resources. In order to avoid being over-extended, we must recognize that our stake in a country, and in a region, represents an important interest for both our own economic prosperity and favorable world order. Consider the following as an illustration. First, we identify a region where we have important interests that are threatened by instability. Next, we focus on a country in the region that has begun a successful transition to democracy and a market economy, that has demonstrated an ability to deal with domestic problems,

and has shown a willingness to help other nations in their region. We then designate that country as a regional growth engine, and target it for assistance and aid through a long-term economic development plan. As the regional growth engine builds its own economic strength, it is able to invest in the countries around it. This achieves stability in the region because the focus on economic development deals with one of the root causes of instability in the region, namely relative deprivation.

As an example, consider Thailand as a potential economic growth engine for Asia. Tom Friedman applauded economic and political reforms in Thailand in a March 19, 1999 op-ed piece in the New York Times. He wrote:

> "If robust growth does emerge, the Thai example could be hugely influential in Asia. It would declare that the country that reformed its economic *and political* system the furthest and deepest enjoys the most stable recovery and attracts the most foreign investment…If Thailand] can succeed economically, [it] can be like a reverse domino in the political sphere. The lesson will be that Thailand survived the crisis the best because it adopted the best democratic reforms."[52]

Friedman's "reverse domino" theory addresses the same criteria of infectious dimension and geographic proximity as was discussed earlier in the threat analysis. The difference here is it applies to the positive influence a nation can have in a region. Moreover, Friedman highlights two other important elements that we have also addressed, namely legitimate governance and private investment.

Essential to the task of promoting legitimate governance is the creation of an appropriate professional bureaucracy. Competent, responsible, impartial public administration contributes to the goals of political and economic development.[53] This is especially challenging in many of the failed or failing states today where societies are often divided along ethnic lines. As Milton J. Esman observes:

> "…For the case of ethnic pluralism, public administration through the state bureaucracies is central to the exercise of state power, the shaping of government policies, and the management of programs that distribute the cost and benefits of state initiatives."[54]

In addition, power sharing in ethnically divided societies is a requirement for government to be perceived as legitimate. Moreover, legitimacy exists when there is balanced participation and equal access by all ethnic communities. The norms and political realities of power sharing encourage government officials to regard the concerns of all ethnic communities and to accommodate members outside of their own community.[55] Further, if members of all ethnic communities perceive they are receiving their fair share, the sense of relative deprivation is diminished and stability is enhanced.

However, the U.S. government alone cannot develop market economies in transitioning states. The private sector must play the preponderant role, and legitimacy is also a prerequisite for

private investment. Real development and prosperity can only be realized through private investment, and in order to attract private investment legitimate government and financial institutions must exist. What the government can do is to help create the conditions that encourage private investment. One way to accomplish this is to promote sound economic policies in developing democracies and emergent market economies. This is achieved through both bilateral and multilateral efforts that encourage sound macroeconomic policies and reforms focused on privatization.[56] Technical assistance aimed at good governance and transparency, and the appropriate regulatory role for the public sector in transitioning countries, are examples of long-term efforts aimed at achieving legitimacy, which in turn enhances economic growth through private investment.[57]

A brief look at sub-Saharan Africa serves to illustrate this alternative strategy. Some people question whether we have any interests other than peripheral in this region. If this is true and we follow our current strategy of selective engagement, then we should commit only limited resources to the region. However, this is clearly not the case. We have used the military instrument of national power in this region many times in recent history, and at great cost. Although this represents an interest-threat mismatch, it clearly underscores our willingness to intervene to protect our interests in the region. Those

interests include regional stability, access to resources and markets, sustained economic development, and a region free of transnational threats.[58] Threats to those interests stem from civil strife that is a result of economic deprivation and corruption. In addition, transnational threats such as crime, drug trafficking and terrorism become attractive alternatives to those suffering from chronic poverty.

Now consider South Africa. It has a democratically elected, functioning, Western-style administration and a strong (relative to Africa) market economy. Its reasonably strong international standing and a willingness to assist other African nations place South Africa in a position to help solve some of Africa's problems.[59] In this case, the country's economic and political success and its willingness to participate in the development of the region qualify South Africa as a regional growth engine.

In this example, our strategy for South Africa, and ultimately the region, would employ our comparative economic strength to compete with threats to stability, namely deprivation and corruption. We would provide technical assistance aimed at enhancing legitimacy in the public sector in order to defeat corruption, which in turn would help create an environment supportive of private investment. The intended result would be balanced participation and equal access to economic opportunity, which would ease the frustration caused by

relative deprivation. If successful, we would see continued economic growth for South Africa, a desirable outcome in and of itself. But we would also create a robust market for our own private sector, thereby enhancing our own economic prosperity. Perhaps most important, by reducing the incidence of regional crises and the need for the U.S. to respond militarily to those crises, we would also reduce the direct cost to the U.S. of maintaining regional stability. And just as Friedman described the "reverse domino" theory for Thailand, this strategy aimed at strengthening South Africa's economic and political position in the region could eventually lead to South Africa showing other "ethnically tortured nations the way to democracy."[60]

So, the alternative strategy proposed here consists of several key elements. First, it elevates the economic instrument of power to a position of prominence among the other elements. Second, it emphasizes shaping over responding with the objective of reducing the frequency of crisis response, which generally employs the military instrument at substantial financial cost. Third, it employs a combination of pivotal states and regional growth engine logic to set priorities and focus our efforts. By applying scarce resources in a strategically focused manner, using regional growth engines as the economic equivalent of "force multipliers," it leverages U.S. economic assets and increases the overall likelihood of

meaningful success. And by so doing, it employs the fundamental logic of competitive strategy: leveraging a significant U.S. advantage in economic power against the root causes of instability. Such a strategy addresses the contemporary security environment with its attendant threats and challenges, and marshalls limited resources and applies them in a meaningful way to the achievement of the core strategic objective--the promotion of greater stability and security.

CONCLUSION

The objective, or ends, of a National Security Strategy should be to create a favorable world order through economic prosperity founded on democratic or free market values. However, to achieve that objective we need to focus on several areas. First, we need to prioritize our interests and identify the threats to those interests. To help us set those priorities and focus our efforts we should identify regional growth engines for long-term economic investment. This approach acknowledges that we should not try to fix the problems of an entire region where we have interests, but we should invest in countries in those regions that have made a reasonable transition to democracy and a market economy. Second, the U.S. should elevate the economic instrument of national power to a position of relative prominence among the other instruments in order to deal with the threats to those interests. This paper identifies failing states and transnational threats as the main threats to stability in the post-Cold War world. Further, it points to relative economic deprivation and the lack of legitimate governance as the root causes of those threats. As the alternative strategy argues, we should employ a competitive strategy that uses our comparative economic strength to defeat the root causes of instability in the regions where we have important or vital interests. Moreover, an alternative strategy

should include creating a favorable environment for private investment in order to increase the overall likelihood of success. By doing so, we would help bring economic prosperity to an entire region, as well as create a robust market for our own private sector. Finally, by reducing the incidence of regional crises and the need for the U.S. to repond militarily to those crises, we would reduce the direct costs of maintaining regional stability.

Word count: 6532.

ENDNOTES

[1] A.J. Bacevich and Lawrence F. Kaplan, "Generals versus the President: Eisenhower and the Army, 1953-1955, A Case in Civil Military Relations," National Security Studies, Maxwell School of Citizenship and Public Affairs, (Syracuse: Syracuse University, 1997), 2.

[2] National Security Council, Document 1: NSC 162/2, (Washington D.C.: U.S. Government Printing Office, October 30, 1953), 3.

[3] Taken from a letter written from President Eisenhower to Secretary of Defense Wilson, January 5, 1955.

[4] U.S. Army War College, Directive Academic Year 1999, Core Curriculum, Course 2: "War, National Policy and Strategy", (Carlisle Barracks, PA, 1998) 143.

[5] Ibid., 143.

[6] Donald E. Nuechterlein, America Overcommitted: United States National Interests, (Lexington: University of Kentucky, 1985), 6. He also differentiates between the public interest and national interest. His definition of the public interest is that which is domestic and falls under the purview of local, state and federal government. However, national interests can be public interests, such as defense of homeland and economic well being.

[7] Ibid., 6. The four categories of interests developed by Nuechterlein and presented in this paper are also included in the 1998 National Security Strategy.

[8] Ibid., 7.

[9] Ibid., 8.

[10] Ibid., 8.

[11] Ibid., 8.

[12] Ibid., 8.

[13] Robert D. Blackwill, "A Taxonomy for Defining US National Security Interests in the 1990s and Beyond," Europe in Global Change, (New York: Bertlesmann Foundation, 1993), 103.

[14] Nuechterlein, 9.

[15] Ibid., 10.

[16] Ibid., 11.

[17] Ibid., 12.

[18] Ibid., 12.

[19] Nuechterlein, 13. Nuechterlein includes another category, survival, where the survival of the nation is at stake. This intensity was applicable during the Cold War, where mutually

assured destruction was deterrence. In addition, he labels important interests as major.

[20] Robert H. Dorff, "The Future of Peace Support Operations," Small Wars and Insurgencies, volume 9, number 1, (Essex, UK:, Anthony Rowe, 1998), 162.

[21] Ambassador Lannon Walker, "The Interagency Process," lecture, Carlisle Barracks, PA, U.S. Army War College, 16 February 1999, cited with permission of Ambassador Walker.

[22] Inis L. Claude, Jr., Power and International Relations, (New York: Random House, 1992), 116.

[23] Ibid., 110.

[24] Ibid., 113.

[25] Robert H. Dorff, "Some Basic Concepts and Approaches in the Study of International Politics," War, National Policy and Strategy, Volume 1, (Carlisle Barracks, PA: US Army War College, 1999), 12.

[26] David Jablonsky, "National Power," Parameters, 27 (Spring 1997): 43.

[27] Dorff, "The Future of Peace Support Operations," 162.

[28] Ibid., 163. Dorff presents the concept of failing states and increasing ungovernability as the primary destabilizing trend into the near future.

[29] Charles C. Krulak, General USMC, speech to the National Press Club, 20 September 1996, available from <http://www.usmc.mil/cmcspeeches/>;Internet; accessed 12 Oct 1998.

[30] The White House, A National Security Strategy For a New Century, (Washington, D.C.: U.S. Government Printing Office, 1998), 5,6. Transnational threats include terrorism, drug-trafficking, international organized crime, and environmental and security concerns.

[31] Steven Coffey, Principal Deputy Assistant Secretary of State Bureau of Democracy, Human Rights, and Labor, "Promoting Political, Economic Stability Through Democracy Building," U.S. Foreign Policy Agenda, July 1998 (Washington DC: U.S. Information Agency, 1998) 3.

[32] Blackwill, 106. Geographic proximity and infectious dimensions are two measurements used to determine the immediacy of threats to our national interests. The closer the threat, and the greater the possibility the threat can infect our interests, the greater the threat is to our interest. Communications, transportation and information all make the world smaller, which decreases geographic proximity and increases the infectious dimensions of threats that were previously remote.

[33] Dan Henk, Parameters 27 (Winter 1997-1998): 95.

[34] Douglas A. Hibbs, Jr., Mass Political Violence: A Cross-National Causal Analysis, (New York: John Wiley and Sons, 1973), 45. Hibbs cites Gurr's work in "A Causal Model in Civil Strife" and "A Comparative Study of Civil Strife" in Violence in America, 590.

[35] Ted R. Gurr with Charles Ruttenberg, Cross-National Studies of Civil Violence, The Center for Research in Social Systems, (Washington DC: American University, 1969), 12.

[36] David Beetham, The Legitimation of Power, (Atlantic Highlands, NJ: Humanities Press International, Inc., 1991), 64. Beetham raises many issues regarding moral authority and justification. The moral dilemma is determining if rules justified by one society are acceptable norms. The issue of expressed consent raises similar issues. Does a majority vote legitimize the actions of a government? Nevertheless, he effectively establishes this structure as a requirement for legitimacy.

[37] Beetham, 120.

[38] A National Security Strategy For A New Century, 7. The strategy details shaping through diplomacy, international assistance, arms control, nonproliferation initiatives, and military activities.

[39] Dorff, "The Future of Peace Support Operations," 170.

[40] Blackwill, 114.

[41] Ibid., 115.

[42] Stuart E. Eizenstat, Under Secretary of State for Economic, Business and Agricultural Affairs, Testimony Before the House International Relations Committee, Washington DC, June 3, 1998; available from <http://www.state.gov/www/policy_remarks/1998/>; Internet; accessed 13 January 1999, 3.

[43] Ibid., 1. Eizenstat testifies that we have imposed sanctions 115 times since WWI, 104 times since WWII, and 61 times since 1993. Thus, in 1998, over half of the sanctions of the last 80 years have been imposed in the previous 5 years.

[44] Ibid., 3.

[45] Ibid., 4.

[46] Department of State, Secretary of State Congressional Presentation for Foreign Operations Fiscal Year 1999, (Washington D.C.: U.S. Government Printing Office, 1998) 347.

[47] Department of Defense, The FY98 Presidents Budget, (Washington D.C.: U.S. Government Printing Office, 1997), 475. The budget listed the cost of peacekeeping operations in Bosnia as $1.9B for 1998.

[48] David J. Andre, "Competitive Strategies: An Approach against Proliferation," in Fighting Proliferation: New Concerns for the Nineties, ed. Henry Sokolski (Maxwell Air Force Base: Air University Press, 1996), 259.

[49] Ibid., 261.

[50] Robert S. Chase, Emily B. Hall, and Paul Kennedy. "Pivotal States and U.S. Strategy," Foreign Affairs 75 (January/February 1996): 34.

[51] Ibid., 37.

[52] Thomas L. Friedman, "The Reverse Domino," The New York Times, March 19, 1999, OP-ED section.

[53] Milton J. Esman, "Public Administration, Ethnic Conflict, and Economic Development," Public Administration Review, November/December 1997, Volume 7 Number 6, (Dekalb IL: Northern Illinois University, 1997) 531.

[54] Ibid., 531.

[55] Ibid., 531.

[56] Department of Treasury, Strategic Plan for Fiscal Years 1997-2002, (Washington D.C.: U.S. Government Printing Office, 1997) 6.

[57] Ibid., 7.

[58] Henk, 96.

[59] Ibid., 116.

[60] Chase., 45.

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