

Foreign and Defense Policy in the Obama Administration

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Política Externa e de Defesa na Administração Obama

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Yesterday marked the 20th anniversary of the fall of the Berlin Wall, it's a testament to the durability of the NATO Alliance and to the value of partners like Portugal. Indeed, the United States has benefited greatly from the close security relationship we have across the Atlantic with Portugal, on everything from the airbase in the Azores to the Portuguese contingents in Iraq and Afghanistan. So I am honored to be here before this distinguished group.

Before I begin my remarks, however, I need to give you a disclaimer, and that disclaimer is that these are my views and not the views of the Obama administration or of the Department of Defense or any other agency of the US government. So I am speaking here on an individual basis, not as a representative of the US government.

Before I go into the specifics of the Obama administration's foreign and security policies, I want to set the scene a little bit, and to do that I want to review the international and domestic contexts within which we find ourselves, review briefly how policy is made in Washington. Having set that scene, I want to move to our three act play: the first act being the policy process and how the process has changed; the second act being the foreign policy initiatives of this administration, the third act being the defense policies of this administration. I am happy to answer questions about specific policies, and I understand that there is a lot of interest in Afghanistan, after my prepared remarks. I will do so to the extent that I can in this open forum. So let's get right to it.

First, let's think about the complex strategic environment we find ourselves in. I am going to argue today that there are really three important things that we need to consider. One is the changing security challenges over the last twenty years or so. Second is the effect of globalization. And third are questions of environmental issues and climate change. So let's look at how these security issues have changed over time.

Today is the day after the anniversary of the fall of the Berlin Wall. It is useful to remember how, in many ways, the cold war was very simple. You had two sides with relatively predictable behavior between each side, and the conflict between the two sides was fought predominantly through third parties. There was not a lot of direct conflict. The world grew considerably more complex eight years ago, at least for the US. The 9/11 attacks were followed by the beginning of the Afghan conflict in October 2001, Iraq in March 2003, the attacks in Madrid in March 2004, the attacks in London in July 2005. The US found itself faced with a shadowy threat that had strike US soil, and nobody knew a lot about terrorism before 9/11. There were a few people in government who were experts but the general policy apparatus was not expert in any way on this. In short, the United States found itself fighting two wars and two close allies were struck by internal attacks.

The situation has gotten even more complex, I would argue, in the last couple of years. Today's situation has things like Mexican narco-violence, a change in Honduran leadership, growing competition over the polar waters with climate change. Russia has been probing into the Baltic neighborhood. There is concern about European energy policy and energy dependence on Russia. There are arms control negotiations underway right now; a follow-on to the strategic arms limitation talks. There is concern about the Iranian nuclear program. There is, of course, the ongoing Arab Israeli dispute, there is continued unrest and crisis in Sudan, there is an insurgency going on in Pakistan, and there is the perennial problem associated with North Korean behavior.

The Michelle Flournoy, the Undersecretary of Defense for Policy in the United States, groups these, and a number of other crises, into five categories. She argues that the first category that we face in this new world is the threat of violent extremism. The second is the threat of proliferation of weapons of mass destruction. The third are shifts in the balance of power, predominantly from the West to the East. The fourth is failed and failing states. And the fifth is tensions in the global commons, as exemplified by the growing competition over the polar resources. It is not self-evident to anyone, really, how the United States and anyone else should respond to these crisis and challenges. On some issues it's not even clear whether a response is possible.

Now let's complicate this picture even more. I know it does not seem like it's possible to complicate this picture but let's try. Let's look at globalization and a couple of different facets of globalization. One is migration patterns. To what extent, if it all, should states try and assimilate immigrant populations. How should it be done? What is the proper path? Is it the assimilation strategy of the French; is it the multicultural strategy of the British? What is the proper path with globalization and migration?

There is the question of globalization and those who are left behind. Consider this picture of a night time photograph, a satellite photo, of the Korean Peninsula. Look at South Korea, here with all the lights. And this dark area of the picture is North Korea. Globalization is producing haves and have-nots. What do we do about that?

Now let's consider two different aspects of environmental challenges. Just take for example the issue of water. Look at the water challenges that we are going to face over the next few years. China only has 8 per cent of the world's fresh water but it has a huge population. How do you provide fresh potable drinking water for that large population? India's water demand is going to double in the next fifteen years. The Middle East is expected to have a decrease in available water.

Next consider climate change, where there are incredibly sobering statistics. Global temperature may rise roughly 2 to 4 degrees centigrade, and that is a conservative estimate, by the year 2100. In that scenario, sea levels rise 18 to 59 centimeters, precipitation increases in the northern latitudes but decreases near the equator, coastal storms increase in severity, which combined with the rise of the sea level means that anyone living near the shore may have to rethink their real estate plans. To what extent should we prioritize arresting this trend or reversing this trend? What are we willing to do to solve this problem? And what are we willing to do during a global recession to solve this problem? This is a huge issue.

Now that I give you some glooming doom about the international environment, let's talk about the new domestic environment in the United States; our second contextual element before we go on to the Obama administration's policies. And I am going to argue that there 4 big things to consider.

First, the US is running a significant budget deficit and building up a significant debt. The most dramatic rise in government's spending is from entitlement programs, to help the elderly and the poor, especially the costs associated with medical care, a big subject of debate in the United States right now. Here are some budget figures from the last several years. What the figures on the budget do not incorporate are the recent efforts to solve the financial crisis over the last nine to 12 months that have happened in United States. So these figures do not include seven hundred fifty billion dollars spent in the economic stimulus package. It doesn't include eighty one billion dollars spent to help automakers. It does not include roughly seven hundred fifty billion dollars to help troubled financial institutions stay solvent. Nor does it incorporate changes in interest on the debt that we hold, which will grow significantly. Many have argued that this trend is not sustainable, so the question becomes what to do about it.

The second component is that the United States is showing signs of war fatigue. Wars and stability operations are incredibly costly. Consider the human cost. This is a chart that looks at casualties from 1991 to 2004 for major combat compared to stability operations. It does not include casualties from the last five years. So the line on the right side would actually be much higher if you included current stability operations. Consider the financial costs. War funding between 2001 and 2009 has been roughly one trillion dollars, that is direct cost, if you include the current roughly one hundred thirty billion dollars that has been requested this year. But those direct costs don't include all the indirect costs that are accruing to the United States, such as interest on the debt, future recapitalization of equipment, equipment that is running out very quickly when you use it in war. You are going to have eventually to replace that equipment and that's going to cost you a lot

of money. There is medical care for our veterans who have served overseas and that is going to be an ongoing cost. And then there are the non-financial costs, the opportunity costs, the political opportunity costs of focusing a lot of attention on particular foreign crises. People can only do so much, so attention may be taken away from other things.

One other thing about war fatigue: these are some recent numbers about United States public believes about operations in Afghanistan. Afghanistan is becoming a huge debate in the United States. The approval of the Obama administration's handling of the Afghan war has gone down over the last four months, by roughly seventeen per cent, to about forty five per cent now. The belief that war is worth fighting, however, has stayed relatively constant, in high forties or low fifties over the last four months. The public is evenly divided however on whether we should increase or decrease the number of troops in Afghanistan, at roughly thirty-seven per cent on each side, if you look at October polls. (I do not have numbers for November because the polls have not been released yet.) What it says to me is that the public is waiting for clues from the administration on what it wants to do, and the public could be swaged either way.

Another thing to consider about the domestic environment that the United States is operating under is Congress, our legislators. Congress has certain constitutional powers that give it, sometimes, tremendous influence over foreign and security policy. Congress has to approve all budgets and all spending, and they can change those numbers from what the Administration has submitted to them. Sometimes they do so in dramatic fashion. Congress regulates all commerce and taxation. Congress can reject the appointment of senior officials, can include military officers if it wants to, and can put conditions on international treaties. Congress raises and regulates the armed forces, so they decide the eventual end-strength of the Army and the Marines, the Navy and the Air Force. They decide what equipment the military gets.

They have some non-constitutional powers that they have accrued over time. Congress conducts oversight of foreign policy initiatives. They can subpoena witnesses, they can force people to testify and they can swear them under oath, which is something that not all legislators in all parts of the world have the power to do. They have access to classified information, which not all legislators in all countries have access to. They can commission independent analysis, both government run and outside the government, to assess an administration's initiatives. So Congress is also a player in security policy and we should not forget that. In fact, where money is involved Congress can have tremendous influence because of their control of the budget. They have the least amount of influence arguably during security crisis.

And here are some examples of recent congressional influence. Right now there is legislation working its way through Congress to mandate sanctions on Iran. There have been demands for General McChrystal to come before Congress to testify as to his recommendations. There have been changes to weapons programs. And there have been limitations on what the administration can do with the detainees in Guantanamo. All of this can greatly complicate the life of any President, because you have another player you have to take into account.

Consider the example of Homeland Security. DHS stands for the Department of Homeland Security. On the right side of this picture are all the committees and sub-committees of the US Senate that have oversight over this department. On the left side are all the committees and sub-committees of the House of Representatives that have oversight over the Department of Homeland Security. Roughly eighty six different congressional bodies can subpoena the leaders of the Department of Homeland Security, to come testify as to what the Department is doing to protect the Nation. That is a major drain on the ability of senior leaders to actually lead, as you spend all your time preparing for and participating in hearings. There is a potential for conflicting advice or direction from these various committees, whether it is the House versus the Senate, whether it is the appropriators who actually spend the money compared to the authorizing committees, who tell you the programs you are suppose to have. There are all sorts of competing influences.

Adding to this complicated process are the President's domestic priorities, and there are a lot of them and they are all very important. The economic stimulus that is working right now; the healthcare debate in our country; energy and climate legislation which is being considered right now, particularly in the US Senate; financial regulation of banks and other financial entities, it is working its way through Congress; then there is the ongoing process about filling senior leadership positions in the government, that still has not been completed; and to say nothing about all the duties that you have to attend to when you are running a massive government like the United States. This is all complicated.

It gets even more complicated with our third contextual factor: how policy is made in the US. In its simplest form, security policy involves three major players in the United States: the Defense Department (DoD), the State Department and the Intelligence community. And it is all coordinated by the National Security Council (NSC), the staff of which works for the President. In that simplest form, coordination involves executive branch agencies, foreign governments, Congress, nongovernmental organizations, and intergovernmental organizations. But that is the simplest form (which is not very simple). In reality we need to add more people.

But before I add more people note that in the simplest form it is just those three entities. And even then there are still coordination problems. This is a map that shows the overlapping jurisdictions of the State and Defense Departments. The different colors are State Department bureaus, the different lines are the different combating commands of the military. Notice that US AFRICOM, for example, covers two different State Department bureaus. There is a lot of overlap and seams here. That can allow policy to slip through the cracks.

To resume, we need to add additional agencies to our basic model, we have to add Congress, we have other international partners, like Portugal. You have state and local governments in United States, particularly on issues of trade or homeland security. You have multinational firms and contractors; the United States government does often a lot of contracting, hiring private companies to do some of the government's work. You have foundations and corporations. So when you look at today's reality, a more accurate representation might look like this complicated slide, where you have Treasury, the department of Homeland Security, the department of Energy, the department of Commerce, in addition to Foreign Governments, the Office of Management and Budget, and the Justice Department. It is very complicated. It looks like spaghetti.

It is hard to manage all of these interactions, much less be aware of all these interactions. Remember the map with the different regions of the world. Let's complicate that map a little bit. This is the same map, but just adding one more agency, the US Agency of International Development. The lines on the map do not all match, so the coordination problem becomes even greater. I am not saying that these are insurmountable problems or challenges, but it does make a very complicated picture.

Again to quote, Michèle Flournoy, Under-Secretary of Defense for Policy, from a speech that she gave in late January: "The U.S. Government as a whole lacks established procedures for planning and conducting inter-agencies operations. Each new administration tends to reinvent this wheel. This *ad hoc* approach has kept the United States from learning from its mistakes and improving its performance in complex contingencies over time."

Senior Obama administration officials understand these challenges and these problems. And when people discuss these challenges, they really think about five big categories of challenges.

The planning process is the first. In Michèle Flournoy's words, "The U.S. Government as a whole lacks established procedures for planning and conducting interagency operations." We are constantly reinventing the planning process. Second, we tend to lack sufficient coordination mechanisms across all these different entities.

Third, civilian government capacity is not what we would like it to be, particularly with the State Department, the US Agency for International Development, the Department of Health and Human Services, the Justice Department, the Treasury Department, and there is a long list of others. We would like to have greater civilian government capacity. Fourth, there are cultural differences across agencies and even within agencies. There is a joke, (and I apologize to my military colleagues, but I am going to make a joke at their expense) when you ask three different military services to secure a building, the Marines will kick in the doors, check the building and move on; the Army will launch an artillery barrage at the building, destroy it bulldoze the building and build a new building; the Air Force will come in, and check if there is air conditioning, television and a refrigerator. Cultural differences. Fifth and finally, there is the issue of information sharing. How do you ensure that government agencies are sharing information with one another? We have had this issue about getting our intelligence community, the sixteen agencies in the intelligence community, to share information with one another. Often they guard their information very closely. How do you get the State Department and the Defense Department to share information across agencies? This is to say nothing about the problem of how you get partner nations to share information with one another and with the United States, and how you ensure that the United States is sharing the appropriate information with the partner nations? All of these are crucial challenges.

Now I have painted a sufficient gloomy picture that we might all just want to go have a drink, but instead I am going to keep you here for a little bit longer. Let's look at how the administration is handling these challenges. There is a short term solution and a long term solution that the administration seems to be espousing. In the short term they are putting a lot of focus on the National Security Council and having the National Security Council and special presidential envoys run significant policy initiatives. In the long term there are trying to change government to approach problems with whole-of-government coordination; what in other countries, particularly among our NATO allies, might be called a comprehensive approach. Let me talk about each of those briefly.

In the short term, the administration is using presidential envoys and the National Security Council. Envoys are people who have been designated by the President to craft policy on a particular issue. We have had an envoy for Afghanistan/Pakistan, with Richard Holbrooke. We have had an envoy for the Middle East Peace Process with former Senator George Mitchell. We have envoys on Sudan. We have had envoys on climate change. We have a number of different envoys. The advantages here are that envoys are responsive to the President, they are not captured by

individual agency priorities or parochialism. The disadvantage, however, of envoys is that you might miss the expertise of a particular agency. And if you are crafting policy without vetting it through particular agencies, they might have been able to identify things that would be potential stumbling blocks.

The second area of emphasis in the short-term is the National Security Council. Let's look at the structure of the National Security Council (NSC). There are three types of committees in the NSC and they all contain representatives from the various national security agencies. At the lowest level are what we call IPCs, which stands for Interagency Policy Committees. These take proposals from individual agencies, talk about them among the different relevant foreign policy agencies and, if they all come to an agreement, great. If they cannot come to an agreement the policies are bumped up to the next level. The next level involves the deputies committees. Deputies committees involve the number two person in each of the relevant agencies. They decide on recommendations that come from the Interagency Policy Committee. If they cannot decide on something they will bump it up to the next level, the Principals Committee. These are the Cabinet heads of the relevant agencies, the Secretary of State, the Secretary of Defense, etc. They are the ones who decide on the more difficult questions.

The National Security Council has a staff and the Obama administration has organized the staff in a particular way. You can get clues about the administration's priorities by looking at how they coordinate their staff. There are a lot of acronyms, but I will highlight the important things. The traditional security directorates are Defense, Intelligence, International Arms Control and Non-Proliferation. Then you have the Regional Directorates and this is pretty straight forward; this is similar to what previous administrations have had. You have new parts of the National Security staff. They deal with economics, environment and energy policy. Others deal with homeland security. These were formerly in a separate Homeland Security Council. They have been merged into the Obama NSC with the understanding that homeland security is part of national security. And you have part of staff dealing with new transnational issues that have been given their own directorates in the staff, which were not included in previous National Security Council structures, like global engagement, multilateral and human rights, WMD coordination or cyber-coordination. Those are short term solutions.

In the long term the administration is trying to change coordination across all government entities. For example, consider reconstruction and stabilization in post-conflict environments. In Washington you would come up with an overall unified US government plan, agreed to by all agencies in advance with individual mission elements given to individual agencies or groups of agencies. In the field

level, you would have an integrated implementation plan, again staffed and decided upon by representatives from more than one agency.

Other related solutions include things like coordinating budgets and missions across agencies. For example, one proposal is to come up with a national security budget, rather than a separate defense department budget and a state department budget. You have one budget geared towards missions, not departments. Another example would be to have cross-training of people from one department going to another department for one or two years to learn how that other department works.

There are three big principles in my view (this is not an official view from the Obama's administration) that I see in US foreign policy in this administration. One is engagement: the administration has been willing to engage with countries and entities that we were not previously been willing to engage with. The most recent example is that we have offered to have bilateral talks with North Korea, in preparation for the six party talks. That was something that was not necessarily smiled upon by previous administrations. A second is multilateralism. This administration believes in multilateralism, whether it is on coordinating a response to the allegations of an Iranian nuclear weapons program, climate change, financial summits to deal with the global financial crisis, or multilateralism on a lot of other issues. The third big principle is multi-tasking; doing many things at once, and this administration seems to thrive on that. They have a huge international agenda, everything I described above plus Afghanistan-Pakistan, Iraq, arms control negotiations with Russia (START follow-on), getting the Comprehensive Test Ban Treaty passed through the Senate, and getting the Fissile Material Cutoff Treaty passed. There are a number of priorities here.

When we look at foreign policy, not defense policy, the US has a guiding document, called the National Security Strategy. It is supposed to be written every year. That never happens, it really gets written about every four years, and the new administration has yet to write theirs. But what we do have ongoing is called the Quadrennial Diplomacy and Development Review. It should be done in the next few months and, for the first time it is focused on our diplomatic core. It is supposed to set out long term plans and to coordinate across the different US entities that deal with diplomacy and development and financial assistance. How do you coordinate across those different agencies? What capabilities do you need in the long term that we do not have now? And how can you get your budget to reflect those priorities? It was initiated by Secretary of State Hilary Clinton, who it is said was impressed with the military's ability to do long range planning. Now we are going to try it with our diplomatic core.

We have certain capabilities that we have to realize. The size of our Foreign Service is twelve thousand Foreign Service's officers, and has almost ten thousand civil servants. But it is a relatively young diplomatic core. Just over half of them only have ten years of experience and about a third of them only have five years of experience. We are staffing almost two hundred seventy diplomatic posts around the world. Many argue that this is insufficient and that we need to increase the size. In fact, the administration is adding forty one hundred new positions, mostly Foreign Service's officers, and trying to come up with a deployable set of Foreign Service Officers who can go to hotspots around the world.

The new word in Washington on Defense Policy is Hybrid Warfare. Just as with overall foreign policy, defense policy has a number of reviews that are going on right now. The Quadrennial Defense Review happens every four years, and it sets the long range vision for the Defense Department. It is ongoing and it was resealed in February of 2010. The Nuclear Posture Review is also ongoing and will probably be released just after the Quadrennial Defense Review. Again the National Security Strategy is still to be written. But in terms of Hybrid Warfare, here are some quotes of Secretary of Defense Robert Gates that talk about Irregular Warfare equal to normal combat, that talk about managing a range of threats employed simultaneously, that talk about stability operations as a core military mission.

"When thinking about the range of threats, it is common to divide the 'high end' from the 'low end,' the conventional from the irregular... In reality, one can expect to see more tools and tactics of destruction - from the sophisticated to the simple - being employed simultaneously." Robert Gates, *Foreign Affairs*, January 2009.

The view here is that warfare in the future is not just going to be main battle tanks fighting a large conventional engagement, nor is it necessarily going to be improvised explosive devices planted in a road in Afghanistan. It is going to be a range of issues and we have got to be prepared to respond across that spectrum.

The administration's budget request for fiscal year 2010 reflects the focus on hybrid warfare. It is a flat budget. It does not increase a lot: roughly two billion dollars from this past year's budget. But it increases manpower. The size of the Army is growing to just under five hundred fifty thousand. The size of the Marines is growing to just over two hundred thousand. This reflects the realization that in Hybrid Warfare you need more people on the ground than if you were just doing high-tech warfare from afar. Deployments are reflecting also a shift from Iraq to Afghanistan. The administration is still considering General McChrystal's recommendations. In my view, there probably will not be an announcement on

this until the President gets back from his East Asia trip, so probably just before the third week of November.

Acquisition reflects, also, a focus on hybrid warfare. We are slowing down the pace of ship acquisition. We are shifting aircraft acquisition to less sophisticated and less high-tech, though still cutting-edge, aircraft. We are stopping the production of the F22 fighter plane, probably the most sophisticated plane in the world. We are going, instead, to focus on the Joint Strike Fighter, which is a little bit less sophisticated in its technology, but is probably usable in more missions.

Unmanned Aerial Vehicles are slated to replace some of our older F16 fighter planes. Missiles Defenses are shifting from a focus on national defense to a focus on defending against short and medium range missiles. Programs that are considered wasteful like this fleet of new presidential helicopters have been cut from the budget. We are also shifting acquisition priorities for ground forces. The army had a plan for a "Future Combat System." Secretary Gates and the administration have basically cancelled the associated family of vehicles for that system: the new tanks, new personnel carriers, new light infantry vehicles that were planned for that system. They were seen as too expensive, too reliant on untested technology. Instead, they are focusing on things like MRAP vehicles. These are the Mine Resistant Armored Personnel vehicles that are being used in Iraq and Afghanistan.

These priorities on Hybrid Warfare are reflected in the defense budget. So you can see personnel costs are growing up. We are increasing the size of the ground force, in terms of the Army and the Marines. Current combat needs are being reflected in the operations and maintenance budget. It too is going up. Procurement is higher, but it could be much, much higher had we not cancelled some of these expensive high-tech systems, or delayed their purchase.

Thank you for being attentive listeners.