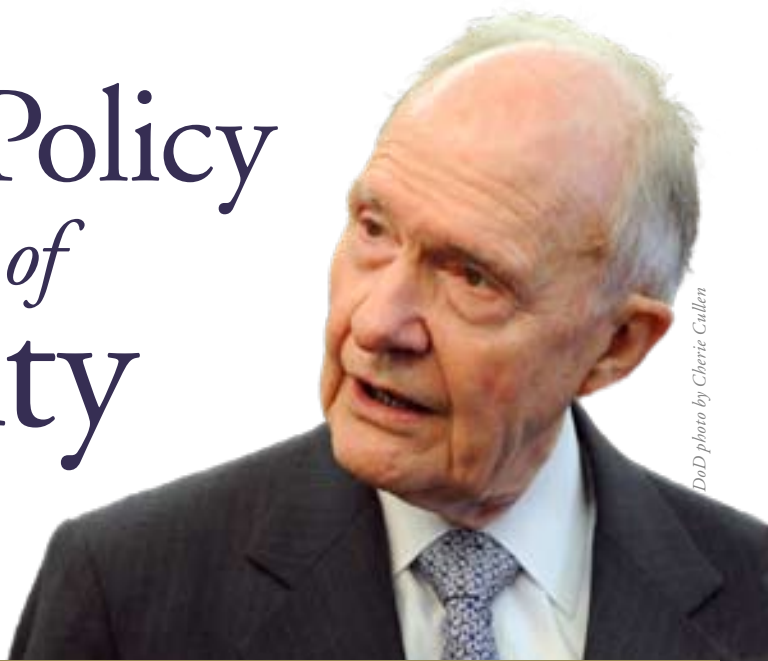


# Foreign Policy *in an Age of* Austerity



DoD photo by Cherie Cullen

## A CONVERSATION WITH BRENT SCOWCROFT

*On November 7, AI editor Adam Garfinkle spoke with retired Air Force general and two-time National Security Advisor Brent Scowcroft about the effects of tighter budgets on American foreign policy.*

**AI:** Good afternoon, General, and thanks for agreeing to talk about what I think is an important and under-analyzed subject: the possible effects of austerity on our foreign policy.

Let's first get our terms straight. By "austerity" I mean not just how bad the economy is, but also the solvency of the U.S. government. Solvency isn't just a matter of how much money the IRS collects; it's based on programmatic decisions of how much the Administration and Congress choose to spend on the various elements of public policy. And by the foreign affairs budget I mean not just the Department of Defense, but also the State Department and USAID, Treasury, Commerce, Justice, the intelligence community—all the non-military aspects of what the government budgets for in the international area.

**BRENT SCOWCROFT:** Agreed; those are right definitions.

**AI:** So my first question is a general one: What would be the generic effect of three or four years of flat or declining budgets across the board on the conduct of U.S. foreign policy? Would that change our internal debates over issues like Afghanistan? Would it change the way foreign governments, allies and adversaries alike, size up what we're likely to do? Would it have much real impact on our ability to project power?

**BRENT SCOWCROFT:** First of all, before coming to the effects of austerity, I do think it's likely to happen. I think we're going to see flat or declining budgets, and that's going to happen whether the economy more or less recovers or doesn't recover. A bad economy would add pressure, no doubt, but we're at the end of a period of growing defense and national security budgets in any case.

The direction is downward for many reasons. One is the sharp growth we've seen in the defense and national security budgets for a number of years, and a growing sentiment that

other public policy areas need more attention. I think that the 2008 election partly reflects that sense. Another reason, I think, is the perception that the demands of the war in Iraq are mainly behind us. We've also thankfully not had a repeat of the 9/11 attacks now for more than eight years, so the fears of terrorism have faded somewhat. I also don't think most people have thought about the war in Afghanistan in budget terms yet. In short, the mood of the country, as well as the politics, won't sustain high and rising budgets.

Now, I don't think that's entirely a bad thing. I hate to say it, but it would probably be useful for us to have to face some of the issues we maybe have dodged since 9/11 because there was enough money to do everything. Austerity might make us think harder about priorities, force us to make some decisions we've put off. That'll do us good if we make the right decisions. Of course it'll hurt us if we tackle difficult decisions by choosing badly.

**AI:** It's likely to cause some arguments to break open that have up to now been muffled.

**BRENT SCOWCROFT:** Yes, that's true, but there's nothing wrong with a good argument, with healthy debate, in a democracy. Seems to me we're long overdue for a few.

**AI:** Let me try to focus your observation onto something specific. The Defense Department investment budget, which covers procurement and the research and development function, has almost doubled in the past ten years, going from \$82.0 to \$186.1 billion—about a 75 percent increase in inflation-adjusted dollars. Yet it's almost impossible to find any knowledgeable person who thinks we're getting our money's worth from the increases.

Literally dozens of Federal commission studies and reports over the past quarter-century have criticized the acquisitions process along more or less the same lines. I think you've even sat on one or two of them yourself. But somehow we never really fix what's wrong. We tinker with the status quo and we make things worse just as often as we make them

better. Might a period of austerity finally get us over the threshold here toward real, effective reform?

**BRENT SCOWCROFT:** I think it might, and Secretary Gates is trying to clear the way right now. There are two aspects to this very important problem. One aspect has to do with the relationship between strategy and how we use our resources, by which I mean that we need to more realistically match what we buy with what we need. As Secretary Gates told the National War College recently, we have to start focusing on the wars we're most likely to fight, not the wars the services would most like to fight. That's an important issue for the Defense Department—for all the services, but especially the Air Force and the Navy. They're technology-driven, and they want to

## I hate to say it . . . but austerity might make us think harder about priorities.

take the latest technology and push it into weapons systems every way they can. The F-22 is a great example. Now what's the F-22 for? We've never used it for the air-superiority purpose it was designed to achieve—not in Afghanistan or Iraq—and we have no plans to use it in any combat situation. That's because it's not geared toward the type of combat we face now or are likely to face within the next generation.

That's one side of the problem—the mismatch between reality and what the procurement process often produces. The other side is the process itself. It's a complicated subject, but the essence of it is that different sorts of people with different institutional interests are involved, and the fact that no one is on watch to sort out the differences leads to an incoherent and very expensive result. We've tried many times to fix the problem, and we're trying again. A bill co-authored by Senators Levin and McCain, the Weapon Systems Acquisition Reform Act of 2009, was signed into law in May—that might help some. But here's one change that would help, too, by making

the initial requirements step more realistic. Right now the services all present wish lists at the beginning of the budget cycle. They're allowed to create a procurement program that exceeds the projected budget by a certain amount. It would be a step in the right direction to enforce a better discipline here; we could do it if the President, the Secretary of Defense and the Chairman of the Joint Chiefs wanted to.

**AI:** Let me ask a related question about the possibility that austerity might be good for us. Since the end of the Cold War we've been reluctant, to put it generously, to do a zero-based assessment of the overall relationship between our strategy and our resources. For example, we still have about 26,000 troops in South Korea. Everyone understood why U.S. troops were there during the Cold War: We were locked into a seamless global competition with the Soviet Union. But what's the rationale for keeping even 26,000 soldiers there now? There may be one, but it would have to be a different one.

Or take our overseas base footprint. Technology has changed, geopolitics has changed, but that footprint hasn't changed all that much over the past twenty years, nor have the proportions of the budget within the intel community and within the Defense Department changed in step with changes in the threat environment. Why can't we get over our Cold War hangover?

**BRENT SCOWCROFT:** That gets back to the problem of the services dominating the budget process, for one thing, but it also points to the weakness of the strategy process to force the services to align resources to national security priorities. The services like to stress technology, where we're strongest, where we push the frontiers and gain advantages, but these advantages are over hypothetical enemies. They tend—naturally—to shy away from planning for the messy, labor-intensive wars that are more likely. That's part of why it's been hard for us to do a zero-based reassessment of our situation.

Korea is an interesting case. There is a good reason for U.S. troops in Korea, but

you're right, it's not the same one that existed 25 or 35 years ago, when we still lived in the shadow of the Korean War. The importance of having U.S. troops in Korea today is that we need to maintain a presence in Asia, and we have troops stationed in only two places there: Korea and Japan. If we take the troops out of Korea, it's unlikely that Japan would agree to be the only Asian country to host U.S. military bases. We claim we can build an effective "over the horizon" presence, but no country believes in that. Unless they see American troops there, they don't feel that we're committed.

There are all kinds of issues involved in your question, and that's something we ought to review. What are our obligations around the world? What are our interests? Where are we likely to have to use our assets? We do need to start over again in thinking about this, and if austerity forces us to make some choices, that could be a good thing. But don't hold your breath. There will be a strong tendency to resist zero-based assessments even with austerity, unless the Commander-in-Chief insists on them.

**AI:** Let's get back to possible effects. How might austerity affect internal debates over policy decisions? Take Afghanistan, which you mentioned a moment ago. Right now the President and his advisers have to decide what to do, and it might involve commitments that would last many years and involve many billions of dollars. It seems obvious that a perception that we're bound for austerity would affect that debate.

**BRENT SCOWCROFT:** It already is, I think, in the inner circles. It's very interesting to see how it's playing out, because the President, for whatever reason, has said that Afghanistan is a war of necessity, while Iraq was a war of choice. He's intellectually and psychologically committed here, but the primary source of support for staying or increasing our commitment lies with the Republican side, not the Democratic side. That's an unusual set of circumstances. Opponents are already saying we can't afford it because we don't have enough troops, and they don't want to increase the

budget. The most important part of the defense budget is manpower. Every soldier you add amounts to a huge incremental increase in the budget.

**AI:** Absolutely: It's a multi-decade commitment from recruitment and training all the way to veterans' benefits.

**BRENT SCOWCROFT:** Yes, and others say we have to learn the lesson from the past, lest this war turn into another Vietnam. Well, it's not another Vietnam, and it doesn't help us think better when we compare everything to Vietnam, anymore than letting the Korean War determine what we do today in and around Korea. That's all over with, and that's why, again, we should use the current circumstances of growing austerity, and associated concerns about overextension, to evaluate more seriously what it is we're trying to do, and what the costs are.

This isn't easy. When we're frightened, like after 9/11 or during the Cold War, the money part doesn't matter much to most people. The consensus then was to spend whatever you need to spend, because these are life-and-death threats. During the Cold War, too, we had a competitor we could more or less measure. If the Soviets turned out  $x$  amount of missiles in  $x$  amount of time and it took us twice as long, say—that was a relatively simple calculation, and it had concrete budget implications. When that disappeared, we didn't know what to do. The world is very different now, and we're still not sure what to do. Debate about Afghanistan shows that. When we try to determine what Afghanistan will cost if we take one approach or another approach, we don't really know how to cost it out. We know we have to consider the security budget as a whole, not just the defense budget, because fighting an insurgency requires a whole range of assets. But we don't have much experience with that, and we don't have a single adversary to help us establish what the metric for doing that ought to be.

**AI:** In addition to affecting policy debates here, austerity may also affect perceptions of the United States overseas. In our democracy we

tend to debate issues in public, and that debate can constrain what the Executive Branch can do. Most non-democratic regimes don't have that concern. So we might find ourselves in a condition of relative austerity facing a problem of coming up with resources for national security, while other countries, perhaps suffering even more economically, won't have that problem. Is this a concern?

**BRENT SCOWCROFT:** Perceptions matter, and relative constraints matter, too. But it's complicated. The rulers of countries like China or Russia might say, "All this is good; the Americans are hamstrung and that relatively helps us." Governments in allied countries like South Korea, Japan and others might think that if we cut back and withdraw, the security assurances and securities they've had from the United States will no longer be there, and they might do more for themselves. What they do might make a constructive contribution to international security, but it might also be harmful. For example, they might decide to acquire weapons of mass destruction and incite regional arms races. They might determine to change their strategy to avoid being left to fend for themselves, and that could lead to changes in regional balances of power that we would not like to see. These are all things we need to calculate as we look ahead into a time of austerity.

One way to think about this is that our security budget works a little like a bank. The government requires a bank to keep a certain percentage of its deposits in reserve, and no bank can pay off all its obligations at any given moment. Likewise, the United States cannot fulfill all the claims on our security assets at once. But how do you make that calculation as to what degree of risk you're willing to take on? You read articles all the time that claim we're overextended. Based on what? Based on the supposed likelihood that more countries will call in their U.S. chips than we can support, but we don't know what that likelihood is.<sup>1</sup>

**AI:** It's a little scary in these days to think even metaphorically about a run on our security

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<sup>1</sup>Editor's note: See illustration on p. 160.

bank. But what you're pointing to is that balancing commitments and resources inevitably involves a kind of calculation that falls somewhere between intuition and prudential judgment.

**BRENT SCOWCROFT:** Or just luck.

**AI:** That's another scary thought.

How about the interior effects of austerity on military and intelligence operations? We've been through this before, of course, as with the dénouement of the Vietnam War. You've been in uniform as an Air Force general as well as in a suit as National Security Advisor, so tell us how a lack of funds actually translates in reality. Is it about recruitment, or morale, or not having enough resources to train, or not being able to fund enough DARPA experiments?

**BRENT SCOWCROFT:** The answer is "yes"—yes to all those things. But the important thing to recognize is that allocating a shortfall is not necessarily a rational process, so it's possible to

## Our security budget works like a bank. No bank can pay off all its obligations at any given moment.

do more harm than the shortfall would have otherwise produced. The first thing you think about is, well, we don't need as many of this system or that system or the other system. But a decision to buy less may not lead, for example, to consideration of cutting back on current procurement across-the-board to emphasize R&D for more capable systems down the line. We tend to make short-term judgments in a time of financial tightness rather than plan in any serious kind of way. That's a problem in an area where there are such long lead-times to consider.

Above all, we're reluctant to revisit our assumptions about the threat environment and what sorts of precautions it would be wise to take. Austerity this time, I hope, will help us change the way we look at things, help us to understand that we have to hedge against all

kinds of bets. One bet is that we'll again need to conduct low-level warfare, the kind that involves kicking down doors in Baghdad and so on. Another is the possibility of a high-level conflict, if a future nationalist Chinese regime turns really aggressive and goes all-out. So we have to hedge, but how to do that and do it skillfully is something we pay too little attention to.

**AI:** And politics gets involved here, too, doesn't it?

**BRENT SCOWCROFT:** Infinitely! Many dozens of Members of Congress all tug on the leash, saying, sure, we have to cut back, but don't cut back on this, because it'll close down the plant in such-and-such a town, and we need the jobs. That's not a trivial matter, of course. But it contributes to the irrationality of the process when seen from an overall national security point of view.

**AI:** When we've faced budget austerity in the past, one pattern does seem to stand out:

Whether we need the military to be at such-and-such a level or not, we nearly always conclude that we certainly don't need the State Department to be at much of any level at all. Periods

of austerity usually mean disproportionate hits on the budgets for State and USAID, and one of the reasons is that State has no strong political constituency—nothing like the Members of Congress you mentioned who will defend manufacturing plants within their districts. Back in olden times, when I was a Scoop Jackson Cold War hawk, I never thought the day would come when I would say the Defense Department is too large and State is too small. But that day is here.

**BRENT SCOWCROFT:** Even Secretary Gates agrees with you. One of the problems is political, about constituencies, or the lack of them, but the real problems are even more basic than that. The fear that results from shrinking defense budgets is palpable, concrete and focused. People can imagine real capabilities

diminishing. They can see in their mind's eye mothballed ships and fewer tanks, artillery, aircraft and soldiers. What we need the State Department for, beyond just diplomatic representation and all the other basic things it does, is to deal with a world whose population is now more politicized than ever. Many more people know what's going on in the world, and they're energized by it. That's one of the reasons terrorism is such a threat now, to an extent it never has been before. There have always been some fanatics, but today we are seeing social movements that condone and abet terrorism, and that's different. It means we can't beat terrorism simply by killing terrorists. We have to dry up the swamp, as the saying goes. We have to understand where a terrorist comes from and the kinds of social environments that encourage and support terrorist organizations. That's not something related to what the defense budget mainly buys, but to what the diplomacy budget can buy. It involves, for example, building schools in the Middle East and South and Southwest Asia worthy of the name, so the young people don't have to go to radical madrassas and learn to hate. It's those kinds of things. But it's hard for many people to visualize what that takes. They can see how an aircraft or a tank can kill bad guys; they can't as easily visualize how intangible capabilities can prevent bad guys from becoming bad guys in the first place.

**AI:** Here's a specific example of what you're talking about. Our counterinsurgency doctrine today is better than it was six or seven years ago, I'll grant, but I simmer at a low boil whenever I hear people make a big deal out of this, because we still don't have the civilian ready-reserve assets to implement the non-military side of that doctrine. What good is developing a great play-book if you don't have the players to run the plays? We've talked this talk for years, but no administration has tried all that hard to get Congress to pony up the money to walk the walk. So now, when we really need an expeditionary civilian corps, as we do in Afghanistan, we don't have it.

**BRENT SCOWCROFT:** We don't have enough

of these capabilities because we have not planned wisely for the long term. We can't get the existing provincial reconstruction teams in Afghanistan filled, and we need several times more of them than we have to make our counterinsurgency strategy work there. We wanted to draw less from the military and more from State to work on the legal system, the agricultural sector, the health sector, and so on, but the State Department couldn't get those positions filled. So it asked the military to send their people as agricultural specialists and so on, which they're generally not trained to do. So now we have the Defense Department trying to give State its own money, and it's not clear that the State Department even has the ability to absorb and spend it effectively. If you lived through the Cold War like I did, that's something I thought I would never see: The Defense Department trying to push budget share to the State Department.

The reason is not just State's weak political constituency, and it not just that it's hard for Members of Congress to visualize the threat that a civilian expeditionary capability is designed to handle; it's that after Vietnam the American public and the military said, "We'll never do that again. That was a horrible mistake. That plays to our weakness, not our strength." So they tore up all the field manuals on counterinsurgency. General Petraeus is one of the few who remembered them. When we went into Iraq we had to learn it all over again. And then we had to learn it all over again a third time in Afghanistan, because we just don't like to fight that kind of war. So we were never properly prepared, which is something you've got to do years in advance to have the human capital and the right training and the integration of efforts you need to be effective.

**AI:** There may be yet another reason. We Americans like to think of ourselves as pragmatists, not ideologues, and in some ways that's true. But when it comes to this kind of stuff, we're highly theoretical folk. We like abstract templates, big ideas, to give us a "one-size-fits-all" construct to understand how, in this case, insurgencies happen. But a nationalist insurgency

in the jungles of Southeast Asia is not the same as a Sunni tribal insurgency in and around an Arabian desert, which is in turn not the same thing as a Pashtun insurgency up in the Hindu Kush.

**BRENT SCOWCROFT:** Yes, they're all different, but the one way that they're all similar is that they don't play to our strength, which is high-tech equipment rather than manpower. And that's our theory that trumps everything else: High-tech firepower can prevail over any enemy. But it's just not true.

**AI:** A question about outsourcing: You've watched over the past twenty years or so plenty of "reinventing government" drills. It's been an ecumenical matter politically, with both Democrats and Republicans on board, promising smaller government and more services all at the same time. We've now "reinvented" government to the point that we've substituted three or four or more contractors for every military logician and government slot we've eliminated. Are we really saving any money doing this?

**BRENT SCOWCROFT:** No, not usually, though I think it started out in a decent way. I started out in the military having to do Kitchen Police. You don't need soldiers to do KP—peeling potatoes and things like that. It's okay to have a contractor do that because you don't have to teach him how to fight. But in my view, it shouldn't go much beyond that, because military-related contractors have a completely different motivation from soldiers, and therefore the job gets executed differently. One has a profit motive or an employment motive, the other a national interest motive. You can't pay and get the one for the other.

So what we're doing really is transferring the money we spend into a different budget pocket to make things look better. There's a problem, too, in that an administration will say how many American soldiers are in a combat zone, but generally not how many contractors there are, or how many foreign nationals in our hire are in harm's way. So the American people aren't getting a square idea of what's going on.

**AI:** Is there anything we can do about this, especially in tough economic times?

**BRENT SCOWCROFT:** I don't know what we can do about it now. And, by the way, the problem is not just with the military. Look at USAID. They have almost no capability anymore, not since the mid-to-late 1980s. They're simply awarding contracts.

**AI:** It's become a rolodex, in essence, with a checkbook attached.

**BRENT SCOWCROFT:** They get some appropriations and then call in contractors. Whether they do a good job or a bad job, they don't have the same interest that the government does.

**AI:** Isn't it true also that shifting so much money away from government budgets to contracting budgets makes congressional oversight harder?

**BRENT SCOWCROFT:** It does, but, perversely, some Members of Congress like it, I think, because the contractors are in their districts.

**AI:** You couldn't be referring indirectly to campaign contributions, now could you?

**BRENT SCOWCROFT:** That's a whole other subject. But it needs to be said that we've got ourselves wrapped up in a whole lot of problems in this respect, about how money makes our politics misfire. It's not just money in the budget we need to consider, but also the other kind of money that flows around Washington. Maybe the good side of austerity will be to get us to take a deep breath and really look at ourselves in this respect as well.

**AI:** One final question: How important is money in the overall scheme of things in foreign policy and national security? How does it rank, for example, with the integrity and creativity of genuine leadership?

**BRENT SCOWCROFT:** Good question, but a tough one. Let me start by just observing that sound leadership requires follower-ship, too. I think the American people are still very

patriotic. But, as we've just been discussing, the system tends to be driven more by money than anything else, especially the congressional system. With elections every two years, the House is constantly trying to raise money to be re-elected. That becomes a primary occupation. If you have to get a contractor to contribute by supporting him in the Defense Department and so on, you tell yourself that's part of the job, because you think it's better that you be in that seat than your opponent. It's a broken system that itself needs to be broken down and fixed.

**AI:** If we enter a period of austerity, I'm not sure it will be the political money that will dry up. There seems to be no recession on K Street. Do you see things getting worse in this respect before they get better?

**BRENT SCOWCROFT:** I hope not, and I don't

think they have to get worse. We Americans have reinvented ourselves before when we've been challenged, and we can do it again. We have some challenges to deal with, yes. We have Homeland Security reporting to—what is it now?—82 different congressional committees and subcommittees? You can't run an effective system that way. Professionals in the Executive Branch have to spend nearly all their time reporting to committees. The committees, meanwhile, are fighting with each other for jurisdiction, and that feeds the whole problem we've been talking about. We can change this, however, and maybe a time of tight money will help us to get it done, if we have strong leadership to point the way.

**AI:** I sure hope you're right. Thanks for the clear and plain talk, sir.

**BRENT SCOWCROFT:** You're most welcome. 🌐

## Inertia, in Other Words

“**W**hen it is not necessary to change, it is necessary not to change.” That declaration was made in Parliament before Pym and Hampden by Viscount Falkland, who struggled so hard and so futilely to avert the Civil War in seventeenth century England. As an apothegm, it fits English conservatism perfectly. But it may also be considered a principle in the study of social and cultural change, for neither the individual nor the group is likely to deviate in habit or folkway from Falkland's observation. If people are not obliged by discomfort or exigency to alter their behavior, they are almost certain to preserve it, and with conscious satisfaction. For whether it is a habit in the individual or a convention in the group, each serves, in William James's phrase, as “the flywheel of society.”

The historian Elting E. Morison told a story that in the early days of World War II when armaments were in short supply in England, an old field piece from the light artillery was resurrected along with a crew of five experienced in its use, which went back to the Boer War. A time and motion expert was brought in to observe the crew in action, and grew puzzled by one act of the crew: during the firing operation, two members, exactly three second before the firing, stopped all movement and stood rigidly at attention until all sound had subsided. No one could explain this patently superfluous act, and finally the expert summoned an old, retired colonel of the artillery to inquire what it was that led to this strange behavior on the part of the two men. For a moment or two the colonel too was baffled. Then his face suddenly cleared: “I have it. They are holding the horses.”

—Robert Nisbet,

*Prejudices: A Philosophical Dictionary* (1982), pp. 270–1