



**REPORT OF THE WORKING GROUP ON  
GRAND STRATEGIC CHOICES**

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<sup>1</sup> The Grand Strategic Choices Working Group reached general agreement on many of the points contained in this report. However, as might be expected from a group that represents such a diverse range of opinions, this is not a consensus document and instead reflects the views of the co-authors as informed by the input and deliberations of the group. The authors are the co-chairs, Francis Fukuyama and John Ikenberry, and Thomas Wright, the group’s rapporteur.

## INTRODUCTION

The United States finds itself in an extraordinary position to shape the 21<sup>st</sup> century global order. Few countries or generations of leaders have ever had such an opportunity. However, we also face a set of threats and challenges that are truly historic in their scope and significance. The next decade is likely to prove to be a hinge moment in which America's global role is shaped for generations to come. The United States can either be at the center of a "one world" system defined in terms of open markets, democratic community, and cooperative security or it can cope with a world characterized by great power balancing orders, regional blocs, bipolar rivalries, and rising violence on the part of small states and terrorist movements. If the United States is smart and plays its foreign policy "cards" well, it can consolidate a global order where other countries "bandwagon" rather than "balance" against it – and where it remains at the center of a prosperous and secure democratic-capitalist order which in turn provides the architecture and axis points around which the wider global system turns.

So the questions we face are: toward what ends should America use its power, invest its resources, and concert its energies? What are the great threats and opportunities that lie before the United States? In this report, we seek to provide viewpoints and principles that might help guide and orient American foreign policy in the years ahead. We seek to identify the grand strategic threats and opportunities that lie before America – and suggest how best to approach them.

Our main findings include:

### ***1. The Long Term Challenge; Towards An Asia Centric Grand Strategy***

The United States has exhibited a preoccupation with transforming the politics of the Middle East and has neglected our strategic interests in Asia, which are likely to prove much more important and profound in the coming decades. International politics in Asia is characterized by a dramatic shift in the distribution of power and the rise of China and India as new great powers, increasing nationalist sentiment throughout the region, a potential Chinese bid for regional hegemony, the proliferation of weapons of mass destruction, unresolved territorial and political disputes between states, Asia's growing role as a driver of the international economy, severe competition for scarce energy resources, and fragile political regimes. All of this is a recipe for considerable instability; if handled poorly it could lead to catastrophic outcomes on a par with the worst moments of the twentieth century.

Lest anyone think that Americans can simply ignore developments across the Pacific, it is important to understand that the United States has greater strategic interests in Asia now than it did in Europe before World War I or World War II. Thus, it is unfortunate that part of the problem, in East Asia in particular, is that America's relative lack of interest in tending to the region has caused some allies of the U.S. to doubt our resolve and question the value of resisting unfavorable developments alone.

We propose that the United States reengage in Asia in a dedicated manner, making clear that we are there for the long haul. The key to this strategy is a need to supplement

America's existing bilateral ties (particularly the U.S.-Japan alliance) with new multilateral arrangements, to ensure that ASEAN Plus Three (which excludes the United States) is not the only game in town. The basic design decision is whether to include China from the start- e.g. to turn the Six Party Talks on North Korea's nuclear program into a permanent five power organization to provide an OSCE-type forum for discussing regional security issues, or to set up an organization of market democracies focused around good governance and a U.S.-Japan Free Trade Association that could one day include China but in the mean time serves as a hedge against an aggressive China. We propose to do both simultaneously.

The United States should not encourage Japan to move forward with revision of Article 9 of its postwar constitution in the absence of a new multilateral framework through which it can consult and reassure neighbors like South Korea and China. Such a framework could serve to embed a stronger Japan within a more cooperative Asia, similar to the way that German reunification occurred in tandem with deeper European integration.

## ***2. The Near Term Danger; Overcoming the Iraqi Obstacle***

It may seem fanciful to speak of the centrality of Asia at a time when the United States is fully engaged in a hot counterinsurgency war in Iraq. However, one way to think about the recommendations in this report is to view Iraq as the near term danger but Asia as the long-term challenge. In other words, we must transition the United States to an Asia centric grand strategy but first it is imperative that we deal with the security challenges in the Middle East.

We are skeptical about using military power to transform the Middle East and we believe that the United States stirred up a hornets nest by invading Iraq and dealing with the aftermath in the way that it did. However, it is also clear to us that the consequences of failure in Iraq, now that we are there, could prove to be catastrophic, leading to further American casualties, a failed state in the Sunni region which could serve as a launching pad for terrorism, a civil war that could come to include neighboring states, a diminution of American prestige and credibility, the potential for an isolationist turn in American public opinion, and the continuing preoccupation of the United States with the Middle East.

The consequences of failure rule out a simple departure. There are no easy solutions. Indeed, finding any solution is exceptionally difficult. The prudent option is to exhaust strategies in descending order of desirable outcomes. Thus, plan A is to stay the course for the next 5-10 years, using a sizable U.S. military presence to wage a counterinsurgency war and forge a stable and functioning Iraqi state. Plan B is 'Iraqification' in which U.S. forces begin to draw down during the next 12-18 months as the Iraqi constitutional process advances, with greater near-term reliance upon Iraqi forces. There is also a plan C, by which the country is in effect partitioned and the defense burden falls on the Kurdish and Shi'ite militias. Plan A is not tenable for both operational and political reasons; a large continuing U.S. military presence feeds the insurgency and has strained our ground forces. The Bush Administration has thus apparently moved to some version of Plan B, to which we see no immediate alternative.

Plan C is an act of desperation that will be costly above all for the Iraqis given how intertwined the different ethnic and sectarian populations are.

### **3. *Reaching Inside Failing and Rogue States***

The past decade demonstrates that what happens inside states matters to the United States because it can give rise to catastrophic terrorism, the proliferation of weapons of mass destruction, regional aggression, global instability, and massive human rights abuses. However, it also demonstrates that the United States is ill equipped to influence the domestic development of an adversary or rival, both because other states are suspicious of American motives and because of the limits of relying primarily upon military power.

Squaring this circle is a necessary and critical step if we are to adequately tackle the security challenges of the 21<sup>st</sup> century, a feature of which is the dissemination of the means of mass violence to small actors. We argue that the United States should lead the international community to develop and use international institutions to engage and reach inside of states without using force and influence their development in a positive direction. These institutions, including a community of democracies, can bring more resources and skills to bear upon the problem and they can conceal America's role, showing that good governance is not an American project but a widely accepted step towards modernity.

### **4. *A Global Counterinsurgency Against Islamist Jihadism***

The campaign against Islamist terrorism is more a global counterinsurgency against small bands of extremists- the international jihadist movement- in which the objective is to kill the hard core, while peeling off their potential supporters through a hearts-and-minds campaign, rather than a larger war against totalitarian enemy comparable to the World Wars or the Cold War.

The center of gravity of this war is currently Iraq. However, as Olivier Roy argues, radical Islam is in large measure a modern phenomenon of alienation on the part of deterritorialized Muslims, many of whom live in Western Europe.<sup>2</sup> Thus, pious Muslims in the Middle East are likely to be less of a danger than young, uprooted, and alienated Muslims in Western European cities who see Jihadism as the solution to their identification crisis, much as fascists and Marxists before them used ideology for the same purpose.

In Western Europe the toughest hearts and minds challenge will be to integrate disaffected second and third generation immigrants who form the pool from which the international Jihadist movement can draw. The fight against the hard-core extremists will occasionally include a military dimension but it will chiefly be waged in intelligence and law enforcement operations. This means that we cannot solve the terrorism problem by democratizing the Middle East- even if we were capable of doing so- although we should still pursue it for its own sake albeit in a more subtle fashion.

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<sup>2</sup> Olivier Roy, *Globalized Islam : The Search for a New Ummah*, New York: Columbia University Press, 2004.

## **5. *Multilateralism as a tool of American power***

Americans have a tendency to view multilateralism as synonymous with the United Nations, projecting its faults and limitations on to all institutions. However, some are more effective than others. We need to appreciate the great range of multilateral tools available to the United States, which enable us to enlist others in our cause, legitimize our power, inhibit organized resistance from other states, and create a peaceful, prosperous and relatively just international order. These tools will prove increasingly important in dealing with China, stabilizing failing and rogue states, and rebuilding the Western order as long as we have the maturity and self confidence to use them.

The United States and its partners should look for ways to renew, adapt, and expand multilateral institutions to new realities—putting America’s imprint on 21<sup>st</sup> century governance institutions.

## **6. *Rebuilding The Western Order***

For fifty years the United States was at the center of a “free world” or democratic world order. With the end of the Cold War, the rise of unipolarity, and the preventive use of American military power in Iraq, the preeminent position of the United States has become more controversial and contested – manifest around the world in heightened anti-Americanism and opposition to American leadership. It is a critical American grand strategic objective to renew the political and institutional partnerships that underpin America’s global position. This entails signaling a willingness to work more closely with allies, to continually engage in a process of genuine consultation, and build new institutions to facilitate cooperation. Anchoring its power in an array of regional and global institutions helps make America’s international position more firmly established and more legitimate and acceptable. Doing so also helps put in place mechanisms that facilitate formal and informal collective action needed to confront emerging global and transnational challenges.

With the failure of the European constitution, there is an opportunity for the United States to emphasize NATO as the cornerstone of the Western alliance. The United States cannot base its global leadership on “coalitions of the willing” but needs formal-institutionalized partnerships that aggregate resources, share burdens, and legitimate the active exercise of power. A strong NATO does all of this and more – it reestablishes a concert of leading democracies as the basis for a stable order geared up to confront new challenges outside the West. To reestablish NATO, the U.S. and Europe will need to make new bargains. The U.S. will need to bind itself to and share decision making with its European partners. For their part Europeans will need to work closely with Washington to define common strategic goals. NATO itself will also need institutional reform that eliminates veto rights of smaller NATO states and other impediments to collective action. This initiative should form part of an American effort to gain the cooperation of Western Europe and other liberal democracies to cope with the East Asia challenge and the Islamist extremist threat.

## **7. *Principles Governing the Use of Force***

The preventive and preemptive use of force against terrorists is a necessary tool in the global counterinsurgency but it should be used discriminately and considerable effort should be dedicated towards developing strong internal controls to ensure that we get our facts right. The costs of being wrong, as the Iraq War demonstrates, are very high. The use of force against rogue states is a very different matter. Preventive action may have unintended consequences that could result in that which we were trying to prevent (e.g. proliferation of WMD). While the United States should not eschew this option entirely it only ought to be an option in the most extreme cases, where there is no other option and the prospects of achieving our objectives are overwhelming.

### **Outline of Report**

This report is meant to be more than a laundry list of actionable items. We want to explain America's place in the world and offer a clear-headed assessment of our interests so as to better inform the decisions our leaders must make. Thus, the effort to contextualize American grand strategy is the task of the first section. The second section examines the rise of China and international politics in East Asia in some detail, arguing that developments here may pose the greatest long-term challenge to the United States. The third section deals with the specter of Islamist terrorism and rogue states. The fourth section details some principles to govern the use of force and regime change. We conclude with some thoughts on consolidating the Western alliance to cope with the tasks before us.

## **PART I: SETTING THE SCENE**

### **Changing How We Think About Grand Strategy?**

A grand strategy, according to Barry Posen, is “a state's theory about how it can best cause security for itself.”<sup>3</sup> From this simple statement one can deduce two things.

First, a grand strategy is not simply a reaction to a threat. It is a pro-active posture, designed to seize the initiative and shape the international environment to the state's advantage. Most security policies envisage the use of power for offense, defense, or as a deterrent. Of these, only the first is inherently pro-active but it is also of limited utility and rarely employed. What makes grand strategy unique is a fourth logic that lies at its core: the use of precautionary power to prevent potential threats from ever materializing. Thus, the state seeks to positively influence the evolution of the context in which it operates. An example of the successful use of precautionary power is the American initiative to encourage European integration in the 1940s, an effort that paid enormous dividends in the 1990s when the collapse of the Soviet Union was not followed by a return to rivalry between France and Germany.

Second, a grand strategy transcends military power alone. A state acts upon its theory of security by employing all the facets of power at its disposal: military, political, economic, psychological, and social. This effort is what is often referred to as national security

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<sup>3</sup> Barry Posen, *Sources of Military Doctrine*, Ithaca: Cornell University Press, 1983, p 13

policy. As Henry Kissinger has noted, “in its widest sense it comprises every action by which a society seeks to assure its survival or to realize its aspirations internationally.”<sup>4</sup> The United States succeeded in the Cold War because its grand strategy had enormous relative advantages over the Soviet model in what it offered to the rest of the world, particularly with respect to the political and the economic. Without this a state must rely on the use of the military as an instrument of fear, coercion, and domination and even then it is likely to ultimately fail.

It is useful to distinguish between regional and global grand strategies. A regional grand strategy may enjoy the luxury of focusing on a single threat, challenge, or diplomatic imperative. For instance, for many decades Israel sought a means of coping with an existential danger on its borders and employed all of its assets and efforts in pursuit of a regional preponderance of power to dissuade its neighbors from even aspiring to destroy it. However, a global grand strategy, by definition, implies making choices and setting priorities about how to allocate scarce resources to deal with multiple dangers, challenges, threats, and responsibilities. Global grand strategies are extremely rare. Few states have or require them. The United States is an exception in this respect.

For the past one hundred years various schools of thought competed to set the terms of American grand strategy. Isolationists sought to avoid the international system, realists to fully engage with it, and liberals to transform it. More recently, some neo-conservatives have sought to marry the transformational goals of liberalism, particularly the spread of democracy, with the autonomy inherent in isolationism, most notably a refusal to be bound by international commitments.

Yet, this world is very different than that envisaged by the originators of any of these strategies. On the plus side, the United States faces a benign great power environment, a tremendous and unprecedented preponderance of power, and a successful and interdependent international economy. Looking towards the negative side of the ledger, the United States has responsibilities and vulnerabilities all over the globe, the threat from weak states and non state actors is at an all time high, there is a dramatic shift in the distribution of power at a regional level, and American influence appears to be waning where it was previously strong.

Thus, the central question of this report is: how can the United States marshal and employ its vast capabilities to seize the initiative and create an international environment that will cause security for itself well into the future? The prompts an initial question: what are America’s interests?

### **America’s Interests**

The United States now operates in an international system that lacks a single threat around which all foreign policy can be organized. The threats and challenges that do exist are complex and their direct relation to the security of the American homeland is unclear.

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<sup>4</sup> Henry Kissinger, *Problems of National Strategy: A Book of Readings*, New York: Praeger, 1965, p 7

Moreover, the U.S. response to these threats may be of such a nature that they have unintended consequences for the international system; thus, action in one area may detrimentally impact upon America's interests in another. All of this means that a solid understanding of the interests of the United States is required in order to enable us to recognize the scale and parameters of the dangers likely to emerge in the coming decades and to deal with them in such a way that advances rather than erodes America's interests.

Moreover, a clear articulation of America's interests is important if the government of the United States is to forge a grand strategy that is sustainable and capable of attracting necessary bi-partisan and popular support. One of the great dangers of American foreign policy is that it risks justifying the pursuit of certain goals because they are nice to have rather than because they are critical to the nation's security. The first is likely to receive widespread support when the goals are easily met but that support may evaporate as the task becomes more difficult and costly. Thus, a strategy must provide answers to the many questions that Americans are likely to have including "Why should the United States remain the preeminent military power in Asia, the Middle East, and Europe?", "Should the United States promote democracy in hostile environments and, if so, why?," "why do allies matter?," and "why is protecting Taiwan worth risking a major war?".

The starting point for understanding America's national interest is the lesson that the United States drew from the first four decades of the twentieth century. In 1941 Americans learned that the security of their homeland and the viability of the American way of life as a free society depended upon developments in the rest of the world, thus settling an argument that had raged for two generations and had its roots in the foundation of the state. Simply put, the lesson stated that aggressors in far away lands, if left unchecked, would some day threaten the United States. The implications of this lesson were profound. Rather than recoiling in isolation from great power politics, the United States now decided that it was imperative to play an active and leading role in it. This shift transcended momentary geopolitical challenges but there is no doubt that the very real expansionist threat posed by the Soviet Union served as a catalyst, overcoming concerns that otherwise may have put up greater resistance to the depth and scale of America's global involvement in the early years of the Cold War.

Therefore, one can state that a primary object of American strategy, dating back 60 years, is to "foster a world environment in which the American system can survive and flourish" which, in turn, necessitates "our positive participation in the world community".<sup>5</sup> To accomplish this the United States has used its unique power capabilities to build an enlightened international order that serves the interests of other liberal democracies and provides a robust coalition to confront external threats and challenges. From 1945 to 1989 this meant creating a Western order and waging a cold war against the Soviet

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<sup>5</sup> NSC-68, as published in Ernest May ed., *American Cold War Strategy: Interpreting NSC-68*, New York: St Martin's Press, 1993, p 40. This document is quite clear that containment was one part of this strategy. The other was the attempt "to build a healthy international community" which "we would probably do even if there were no Soviet threat". See p 41.

Union. Afterwards, it entails expanding and consolidating the order while remaining on guard against external dangers.

This order consists of a grand bargain between the United States and the order's member states. The United States created a vast array of economic, political, and military institutions and agreed to wield its power within this framework. These institutions bind all member states and all have a formal voice in them. In exchange, the member states recognized the American led order as legitimate and agreed to work within it. This bargain has two central elements. The first is a realist security logic whereby the U.S. agrees to provide military assistance and security guarantees to the others. Examples include NATO, the U.S.-Japan alliance, and the U.S.-ROK alliance. The second is a liberal logic with the U.S. sponsoring an open international economy which facilitates free trade and economic interdependence through institutions such as the IMF, the World Bank, and GATT and the WTO.

This Western order accomplishes eight major U.S. foreign policy goals.

First, it creates a framework for peace. The member states of the Western order do not fear each other because they have grown to trust each other's intentions over a long period of time. Much of this is due to their interaction in institutions such as NATO and the European Union. These institutions were allowed to work because the United States provided for the security of France, Germany, and Britain, thus allowing them to take risks for peace that they may not have taken in the absence of American assurances. Similarly, the states of Eastern Europe were encouraged to liberalize and integrate their defense strategies into NATO partly because they would have otherwise undertaken steps that could have ignited regional rivalries.

Second, it means that America's allies are less threatening to third powers. One effect of the U.S.-Japan security treaty is that Japan only spends 1% of its GDP on its military and eschews the acquisition of nuclear weapons. As a consequence, China sees America's security guarantee to Japan as less threatening than the build up Japan would undertake if the United States were to withdraw its guarantee. The point is that the provision of American security guarantees encourages caution and good behavior, and stabilizes regions that have potential for instability.

Third, a unified Western bloc, with American military power at its heart, acts as a powerful deterrent against external aggression. Obviously, this was the great achievement of NATO during the Cold War but it continues today in Taiwan (against China), the Middle East, and potentially the states of the former Soviet Union (against a resurgence in Russian imperialist designs).

Fourth, American military power is sufficiently great to deter aggression but sufficiently restrained so as not to be threatening to the vast majority of states in the international community. This is a major part of the explanation as to why the other major powers in the international system have not formed a countervailing coalition to balance against the United States. This restraint is demonstrated by the context of American military power:

in alliances, according to certain principles, and with the constraints of democratic domestic institutions. This took a hit with the invasion of Iraq but it is interesting to note how almost all countries recognized that this departure would remain limited to rogue states even if preventive war was adopted as a precedent.

Fifth, the U.S. continues to maintain an open international economic order based on free trade and interdependence. Part of this is the result of the leading role played by the World Bank, the IMF, and the WTO. Part also is due to U.S. naval strategy which has been directed in such a way as to harmonize American behavior with the interests and preferences of the vast majority of nations to keep the seas open for free trade and commerce. This is a role that the United States inherited from Great Britain, also a geographically isolated state, and it is one that could not be fulfilled peacefully by a more protectionist or mercantilist power.

Sixth, this order has a proven track record in the expansion of freedom and democracy. The joint pulling power of NATO security guarantees and European Union economic incentives was critical in the favorable development of Eastern Europe following the Cold War. More generally, it also sets standards that states currently on the outside must meet if they are to be fully a part of the international community.

Seventh, Americans have long hoped that international politics could operate according to rules and law. While the rules and law we have today are far from perfect and will never- and should never- fully develop to be on a par with domestic law, they are a great deal better than what we would have in the absence of an American led international order. This is chiefly because history teaches us that international law depends upon the support of the great powers and a willingness to enforce it.

Finally, a West that is united is better equipped to deal with problems such as extreme poverty and human rights abuses than it would be if it were divided. Many of the regrettable tradeoffs inherent in statecraft, such as deals with dictatorships, occur precisely because of the need to guard against dangers from other great powers. Just think, for example, of the Cold War contest to prop up tyrants in the developing world. When these dangers are reduced, as they are by the primacy of a unified West, the need for these trade-offs is also reduced.

Sixty years after the end of the second World War, it is clear that the American led international order is critical to the national security of the United States and the security of the free world and peace loving peoples everywhere. However, this does not provide a satisfactory account of American interests because hitherto we have concentrated on the effect, not the cause, of the good health of this order. We now turn to those goals- four in total- necessary to ensure the continued success of this American project.

1. To preserve the preeminent military power of the U.S.  
American primacy is a necessary condition for an international order that produces great power peace and prosperity. No other state has the necessary strength, values, and geographical position necessary to underwrite such an order. The European

Union has the appropriate value system but it sorely lacks the cohesion, will, and capabilities necessary to fulfill this role. All other possible contenders lack a commitment to liberal democracy (e.g. Russia and China) or they are viewed as unacceptable by their neighbors (India and Japan). Thus, if America cannot or will not play this role we are left rudderless, drifting back towards the 1920s.

The true logic behind primacy is not a simple desire to be number one or nationalist egotism but stems from recognition that in an anarchical world some state or group of states will exercise power. Our experience has taught us that it is best that this power be wielded by liberal democracies; the alternative is great power security competition between the United States and her allies on the one hand and an autocracy or combination of autocracies on the other, precisely the sort of great power competition that led to two World Wars and one Cold War.

In practice, primacy means that the United States should continue to maintain military forces beyond the reach of non-democracies. Two further points need to be made here. The first is that the military strength of democracies such as West European states adds to American capabilities and the goal of the primacy of liberal democracies; as a result it should be encouraged. The second is that simple superiority is not enough because the United States must be strong enough to dissuade and deter everywhere while potential adversaries must only be able to compete in their particular region.

2. To maintain and improve the international order by continuous reform in light of ever changing international conditions

The United States is partially a victim of its own Cold War success. The collapse of the Soviet Union had three implications for U.S. global leadership. First, American power was more untrammelled by countervailing forces than any power in history. Second, Americans felt less of an obligation to abide by self-binding commitments in order to maintain healthy alliances because a central organizing principle behind those alliances had ceased to exist. Third, America's allies, especially in Europe, were reluctant to share the burden of global leadership, largely because the cost of not doing so was perceived to be negligible. All of this, and more, gave rise to unilateralist tendencies in U.S. foreign policy.

One price of rising unilateralism is that the U.S. is perceived to use its unrivaled power exclusively for its own ends. Were this to continue it could result in the rest of the world withdrawing its consent for U.S. leadership. While one can debate the consequences of opposition to U.S. power it could clearly result in the collapse of the Western order and the rise of efforts designed to frustrate and block U.S. foreign policy.<sup>6</sup>

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<sup>6</sup> For a discussion of the consequences of reactions to American power see G John Ikenberry, "Strategic Responses to American Preeminence," *Report for the National Intelligence Council*, Virginia: 2003

The U.S. has an interest in having American leadership accepted and supported by most other free nations. Thus, power must be exercised judiciously and in a manner that reduces antagonism with other liberal democracies to a minimum. Consensual hegemony should not be taken for granted. Particular attention must be paid to how American power can be used to pursue great global goals for the benefit of the international community and not just the ambitions of a narrowly defined national interest.

Alliances are the principle means by which previous generations of Americans have ensured that U.S. power operates for the benefit of the many and not just the one. Alliances are so much more than efforts to aggregate military power to confront external threats. We need to appreciate all the “work” that alliances do and not just look at bases and forward deployments as “assets” to be moved around. They are critical parts of political architecture that provide America’s allies with a voice in a unipolar world and make American power less threatening than it would otherwise be.

None of this is to say that our attitudes towards particular institutions must be static. The present international order was conceived during World War II and established in the years that followed. It reflects the peculiarities of its time. In many ways it has proven to be remarkably durable in its utility but in others it may be outdated, particularly with respect to the rise of terrorist organizations capable of mass violence, failed states, and the shifting distribution of power away from the states that dominated the planet in 1945.

Therefore, the United States also has an interest in the continuous reform of international rules, laws, norms, and institutions, to reflect changing patterns of international politics. International law should facilitate, not inhibit, national security policy and the realization of U.S. grand strategy.

3. To expand this order to include powers that are presently outside of it

The end of the Cold War did not mean the expansion of the Western order to include the powers of the Warsaw Pact. Some, generally the smaller, states joined up. After some brief flirtations, Russia has stayed on the outside, no longer seeking to overthrow the Western order but not quite a part of it either. Others, most notably China and India, have experienced a sustained and dramatic rise in their national fortunes, giving them a legitimate claim to a greater say in international politics.

The United States should explore ways of incorporating these states into the Western order, not least to prevent them from becoming dissatisfied with their lot and seeking to undermine it. If we conceive of the Western order as a company the key question is whether new great powers can be offered a seat on the board of directors or will they feel it necessary to set up a rival company of their own?

We should think about forging new types of security alliances, not directed against a common threat, that could be used to weave countries like India and Brazil into our

orbit, convincing them that their interests can be best advanced within the framework of the Western order.

4. To robustly defend this order against external challenge and threats

The Western order faces one great challenge and one great threat.

The challenge originates from dramatic changes in the distribution of power in Asia. The rise of China promises to be as significant as the unification of Germany in the 19<sup>th</sup> century. The question is whether the outcome will be equally tragic or if it can be peacefully accommodated.

The second threat is a direct attack on the Western order by Islamist terrorist organizations, such as Al Qaeda, that seek to remove America's presence and influence from much of the world. Not only do these attacks take innocent life but they also target the very principles of openness that has characterized the free world for the past sixty years. A related danger is rogue and failing states, which may act in ways inconsistent with normal rational states, either because their leaders believe that they can use WMD to further their tyrannical ambition or because they are powerless to stop their states being used by non state actors against Western interests.

In sections two and three of this report we consider the fundamental character of each and suggest the broad contours of an effective American response.

The key question that arises out of the existence of both is how should the United States prioritize the rise of China on the one hand and the threat posed by Islamist terrorism and rogue states on the other. Our group reached general agreement that too little attention has been paid to the first. One should not confuse the immediate and the dramatic with relative importance.

To use an analogy, think of the United States as a company that has seen off its nearest rivals and is the unchallenged market leader in its field. Looking ahead, it recognizes an emerging competitor that may challenge it in fundamental and consequential ways. At the same time, this company must deal with bands of criminals that routinely destroy company property and kill the employees. Obviously, it makes little sense to concentrate wholly on one to the exclusion of the other or to deal with the immediate threat in ways that may damage the company's hope of remaining competitive in the long term. So it is with the United States. America must remain strong in its core competencies- as a sponsor of a global order and the world's preeminent military power- and defend itself against external threats.

## **PART II: THE CHANGING BALANCE OF POWER: DEALING WITH THE RISE OF CHINA**

The shifting distribution of power in Asia is one of the largest, if not the largest, geopolitical event confronting the United States in the next two decades. Although this

power shift has many components it is largely defined by the rise of China.<sup>7</sup> There is great disagreement on what this means. One school of thought notes that the rise of new great powers is rarely, if ever, trouble free and forecasts tension, rivalry, and a high likelihood of conflict between China and the current hegemon, the United States, or Japan, presently the dominant economic power in Asia. A second school makes the case that conflict is not inevitable, and that Chinese goals could be accommodated by the international system and adroit American diplomacy. There is little way of knowing which school has the correct diagnosis, largely because China's future intentions are unknown.

The rise of China may be the most complex of all of the challenges posed to the United States since it became a player in great power politics. Unlike Nazi Germany or the Soviet Union, at least up until the mid 1950s, China lacks a universalistic ideology, and does not seem to have expansive territorial ambitions. It is a different kind of power. China is, in many ways, playing by Western rules: its growth is powered by market capitalism and it has begun to engage international institutions like the UN and WTO. For some this is merely a means of preventing other states from stymieing its rise, whereas for others it is a hopeful sign. As a result, its intentions and character are ambiguous rather than clear. This makes it hard to know whether it is a threat, and harder still to convince the American public and strategic allies of the danger should American decision makers come to view it as genuine. Of course, many troublesome rising powers in history, notably Germany under Bismarck and Wilhelm II, also lacked a universalistic ideology but, crucially, the United States never sought to systematically contain these states. Those that did, including France and Britain were unsuccessful. In other words, this is a new game for Americans and needs to be recognized as such.

If we assume that China remains on its current economic and military growth path over the next two decades, surpassing Japan in absolute GDP and developing power projection capabilities that could challenge U.S. military predominance in Asia, what will Chinese goals be, and to what extent will Chinese ambitions be compatible with U.S. interests? It is certainly easy to imagine scenarios in which U.S.-Chinese conflict occurs, such as an unprovoked Chinese effort to conquer Taiwan, or military aggression against other neighbors like Korea or Japan. But is it possible to imagine the United States accommodating a rising China, much as Britain accommodated a rising United States at the beginning of the 20<sup>th</sup> century? The latter, after all, is the most notable recent example of a major power shift not producing great power conflict.

Even raising the British example suggests limits to the analogy. The United States and Britain shared a common ethnicity, culture, and historical tradition; the latter could look with equanimity on the growth of U.S. power because it saw America as broadly

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<sup>7</sup> For a description of the rise of China and the shifting balance of power in Asia see National Intelligence Council, *Mapping the Global Future: The World in 2020*, Washington DC 2005. For the military dimension of China's rise see Office of the Secretary of Defense, *The Military Power of the People's Republic of China: A Report to Congress*, Washington DC, July 2005

supportive of its global interests. China might approach this status if it underwent a democratic revolution and became a developed liberal democracy, which is what many observers have been hoping for as the solution to the rising China problem. But even a democratic China will be quite different culturally from the U.S. and is likely to be nationalistic in many ways. In any event we cannot count on democratic change happening. We need to plan strategically, then, on a rising China that will continue to be Communist, authoritarian, and nationalistic. Thus, the pertinent question is “what sort of threats and challenges would such a China likely pose to the United States?”

It is no surprise therefore that as China’s power steadily grows analysts have concentrated on the million dollar question, “what will China want?” Yet, in a very real sense the answer to this question may be a mystery not a secret. In other words, not only does the United States not know what China will do but China’s current leadership probably does not know either. It is highly unlikely that China has a secret plan to be opened in ten, fifteen, or twenty years when it is at the peak of its power.

Thus, we cannot speak of a fundamental purpose of Chinese foreign policy in the way that President Truman’s administration identified the fundamental purpose of the Soviet Union; that is to say that there is no ideological imperative inherent in the nature of the Chinese regime. Nevertheless, we can draw upon developments over the past decade and recognize some of the drivers behind Beijing’s worldview. First, the Chinese Communist Party (CCP) perceives the state to be incredibly fragile and vulnerable and is determined to leave no stone unturned in pursuit of cohesion and unity. Second, Chinese policy makers are determined to isolate Taiwan and ultimately win it back. This facet of Chinese intentions feeds back into the primary motivation because a hard line on Taiwan is inextricably bound up with the policies required to keep the Chinese people together and supportive of government policy. Third, China wishes to increase its political influence in Asia and may covet a position as the region’s indispensable power, receiving deference and an effective veto over international issues. Fourth, China is increasingly obsessed with securing access to resources commensurate with its growing needs as a rising power.

These drivers have been accompanied by two bold strategic moves, one military and the other diplomatic. Since the mid 1990s China has embarked upon a major military build up.<sup>8</sup> The scope and scale is difficult to measure both in monetary terms and in its effectiveness, so any conclusions about Chinese military strength are somewhat speculative and should be treated as such. Nevertheless, that there has been a notable increase is beyond doubt and it is more likely that the extent has been underestimated rather than overestimated. Three factors appear to explain this development. First, the continuing stand off over Taiwan since the crisis across the Straits in 1996 has created a national imperative to be prepared to use force should circumstances require it. Second, China’s robust economic performance has allowed the allocation of greater funds towards the military without incurring painful domestic trade offs. Finally, the domestic political strength of the PLA and its influence over the various competing factions in the CCP has

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<sup>8</sup> *The Military Power of the People’s Republic of China*, p 7.

meant that increases in military spending that exceed normal rates of economic growth enjoy widespread and popular support among elites.

China's diplomatic strategy is, in many ways, the antidote to its military strategy. Over the past five years, China has gone out of its way to reassure most of its neighbors, save for Japan, about its rising power. Beijing has spearheaded efforts to create multilateral institutions in Asia (including ASEAN plus three) and China increasingly sees itself as the provider of public goods and order throughout the region.

One can date this back to the former leader Deng Xiaoping's guidance in the early 1990s that is known as the "24 character" strategy: observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership". The phrase "make some contributions" was added later.<sup>9</sup>

What does all this mean? Even at the optimistic end, the stakes for the United States are quite high. A peer competitor could block American policies, detrimentally affect access to sea lanes of communication (SLOCs), destroy some of America's alliances, sell advanced weapons to rogue states, and generally define the contours of U.S. foreign policy. If one were to take a more pessimistic view, the consequences of China's growing ambition could trigger a war over Taiwan, lead to intense security rivalry between China and Japan, and erode American influence in Africa, Latin America, and Europe.

Let us now delve into the likely implications of a rising China in a little more detail. China's rising power could lead to two possible outcomes in East Asia. The first is that its neighbors respond negatively and resist China's rise, leading to a new era of rivalry in Asia. The second is that its neighbors bow to what is perceived as inevitable and bandwagon with China, leading to the erosion of American power and the creation of a new regional order that excludes the United States.

### *Rivalry*

It is not necessary to assume a worst case scenario- that China may, at some point in the future, develop ultra-revisionist goals- in order to acknowledge that the uncertainty of its future intentions casts a shadow over its rise and is likely to color China's neighbors' perceptions of it. Any country that rises as dramatically and quickly as China is certain to give its neighbors the jitters, no matter how exemplary its behavior is, because it calls old assumptions into question and signals that the future will be uncertain.

Recent figures show a substantial increase in defense spending in Asia.<sup>10</sup> This maps onto rising political tensions over the past couple of years. However, at least as important as the actual real increase is what the money is being spent on. In the past the maintenance of armies accounted for the lions' share of defense spending but now the emphasis is on

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<sup>9</sup> Ibid. p 11

<sup>10</sup> According to the Stockholm International Peace Research Institute, defense spending in Asia increased by 21% between 1995 and 2004. See [www.sipri.org/contents/milap/](http://www.sipri.org/contents/milap/)

power projection, long range fighters, strike capabilities, and the like. Similarly significant are enormous changes underway in defense cooperation patterns. Many Asian states, including Singapore, Vietnam, Japan, and India, are cooperating with American forces in ways that would have been unthinkable five or six years ago.

Although some analysts may welcome this development as a means of checking Chinese power there are a number of dangers inherent in it:

- Increased rivalry is likely to increase the risk of conflict between China and its neighbors. It is not hard to imagine how such a conflict could quickly expand to include the United States.
- A more hostile international environment may tilt democratic allies of the United States in a militaristic direction. Moreover, if China's neighbors feel threatened by China and worry that the United States cannot be relied upon to come to their aid they may engage in an arms buildup, possibly including the acquisition of weapons of mass destruction.
- One state's response to China may prompt a third state to respond to it, inadvertently establishing a trend of security competition. One can envisage this dynamic occurring between India and Pakistan or Singapore and Thailand.

### *Bandwagoning*

It is a sign of the uncertainties of our time that international politics in East Asia may proceed in the exact opposite direction to that outlined above, i.e. states may choose to side with China. Why is this a possibility?

First, China's importance as an economic hub is growing. As Albert Hirschman has argued, trade creates its own vested interests, usually including exporters, importers, industries dependent on either, regions where these industries are concentrated, secondary consumers of imports, and others.<sup>11</sup> If a state's trading partner is particularly important- as China is for most of its neighbors- these interest groups are likely to be especially influential and will have a place at the table when the subject of foreign relations is being discussed.

Secondly, America's Asian allies would probably prefer to continue their security relationship with the United States but they harbor doubts about America's commitment to remain involved in Asia. The American military appears to be bogged down in the Middle East and no longer fully engaged in what matters most to them. Moreover, the continuing difficulties in Iraq indicate that the U.S. military may not be as strong and omnipotent as previously thought. In addition, the failure of the United States to deal with the DPRK- and the decision to withdraw forces from the Korean peninsula in the face of some of the most dangerous and threatening North Korean activity since 1950- means that Asian states wonder if the U.S. would ever go wobbly if they were seriously endangered.

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<sup>11</sup> Albert O Hirschman, *National Power and the Structure of Foreign Trade*, Berkeley: University of California Press, 1945

These twin dynamics mean that Asian states are hedging their bets, refusing to choose China or the United States but doing enough to be able to jump on board the Chinese bandwagon at a future point in time and claim to Beijing that this was their intent all along. Hedging can explain some of their pro China moves, such as hostility towards Taiwan- the one issue that really matters to China- and receptivity towards Chinese notions of a pan Asian, as opposed to a pan Pacific, order.

Rivalry and bandwagoning are thus not necessarily incompatible. Asian states are undoubtedly worried by China's rising power but they are unsure if there is anything they can do about it.

### *Strategic implications beyond Asia*

The implications of a rising China on American interests is not confined to East Asia or even to Asia as a whole. Throughout Africa, Latin America, and the Middle East, China is offering special relationships and political deals based on an absolute respect for sovereignty, including a consistent indifference to human rights abuses inside one's own borders. Economic relations are forged along mercantilist principles and particular attention is given to controlling sources of energy and natural resources. In practice, this means the provision of financial aid without preconditions to the government of Sudan, a budding partnership with Iran, despite its pursuit of nuclear weapons, and the rendering impotent of the United Nations in the area of pursuing state violations of human rights.

However, perhaps the most dramatic implications of the new China will be felt in the realm of U.S.-European relations where there are three possibilities. One is that a rising China will foster greater Atlantic cooperation in confronting a growing non-Western state that challenges both America and Europe. Timothy Garton Ash argues in *Free World* that the U.S. and Europe have about 20 more years to run the international order before China and India get their hands on the system.<sup>12</sup> This impending power shift provides a new underlying joint interest in preserving the Western character of the international political and economic order by locking in global rules and socializing China to status quo behavior with carrots (integrating it into international institutions) and sticks (presenting it with a united Western front).

A second scenario is that China could integrate into the Western order but differ with the United States about the order's future direction; in this scenario Europe may provide the swing vote, creating troubles of a sort with Washington.

Alternatively, a third scenario has the transatlantic alliance splintering as the United States feels increasingly threatened by China and is angered by the lack of European support for its position and by Europe's diplomatic flirtation with Beijing. Such a development could have deep structural roots. After all Europe and the United States have different global strategic positions. The United States is a superpower with global reach and interests to match. Europe is a major force economically but lacks similar

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<sup>12</sup> Timothy Garton Ash, *Free World: America, Europe, and the Surprising Future of the West*, New York: Random House, 2004

political, diplomatic, and military clout. This is particularly true in Asia where American vital interests far outweigh those of the European Union or individual European states. Europeans tend to view China's rise through an economic and political lens and see a vast commercial opportunity whereas the United States sees its strategic implications and worries about China as a peer competitor. Europe might also see China as a potential ally in the restraint of the United States. For example, China and Europe have already begun to integrate their space programs. In this view, the current E.U. arms embargo controversy is just the beginning of an expanding array of trade/security controversies that will further erode the Western alliance.

### *Economic Interdependence*

China is a part of an open and interdependent international economic system whereas the previous peer competitors to the United States were not, meaning that there may be novel vulnerabilities and pressure points that are as of yet not particularly well understood. The interdependent relationship between China and the United States may trigger some very pronounced economic vulnerabilities including, but not limited to, the currency, manufacturing, and services sectors. These vulnerabilities will be a most unwelcome shock to a largely unsuspecting public. They will almost certainly lead to some monumental changes in the U.S. economy. This interdependent relationship is, in certain ways, codependency. In the years that come, we may be asking if it is possible to deliberately unravel the ties that bind the two countries into codependency in a way that is not destructive.

### Diagnosis

The rise of China is, for the moment, a political challenge with a military dimension rather than a military threat. This is not to downplay the scale and importance of the challenge- not least because a broad military threat could materialize at a later stage- but to highlight the necessity of recognizing this shift for what it is instead of trying to fit it neatly into our international experience of the past century.

Thus far, the United States has contributed to the problems it is likely to face by being slow to recognize the challenge and allowing itself to be distracted from giving Asia the attention it deserves. This benign neglect has caused great uncertainty within America's Asian allies and limits our strategic choices.

U.S.-Sino relations has, and will continue to have, its fair share of crisis points, the most notable of which is Taiwan, the Belgium of the 21<sup>st</sup> century. Others include a shortage of energy resources, Chinese disputes with Japan, and various contingencies in Korea. These crisis points could transform the nature of international politics in Asia should they take a turn for the worse and, consequently, they merit the closest attention and most careful management.

Finally, although this analysis has focused on China it would be remiss not to point out that there are other great power players in Asia, especially Japan and India. These states pose different problems although both may be favorably inclined towards the United States. Of these Japan is the more likely to be a reliable American ally, chiefly because its

strategic interests in the region are tied up with the need to gain American help. Although much store has recently been placed in a U.S.-India alliance it appears likely that India will seek, and then take the benefit of, maximum flexibility in its commitments.

### **The American Response**

The sheer difficulty and complexity of the issues outlined above require movement beyond a simple dichotomous choice of engaging or containing China. In one sense the distinction is false because most thoughtful observers who favor some containment also favor some engagement- although the reverse is not always true- so it is not an “either or” proposition. However, on a more fundamental level any exposure to a discussion on containment or engagement quickly reveals that there is a startling lack of clarity on what we mean by each term. Containment and engagement are both extremely amorphous concepts, each of which spans a wide range of strategies, goals, and modes of behavior that are not always part and parcel of the same household of ideas or even compatible with each other.

For instance, containment was originally devised as a means of dealing with the Soviet Union but the debate only began, rather than ended, with an accepted recognition of the Soviet threat. Over the following fifty years, decision makers made consequential choices between strategies of containment that appeared at the time to be matters of life and death. This led to positions as diverse as George F Kennan’s political containment, Paul Nitze’s more militarized variant, détente and President Reagan’s new cold war. Of course historically, other great powers have drawn from an even greater pool of options. Unfortunately, when confronted with the rise of China, too many analysts ignore the important nuances of difference and lump all forms of containment together.

Acknowledging the risk of simplification, it may be useful to distinguish, at least, between three types of containment. The first is the deliberate weakening of an adversary and the maximization of relative power. Competition is zero-sum with little or no prospect for mutual advancement since the shadow of future intentions looms large. In other words, it does not matter too much what China wants now, the real danger rests in what it might want in the future. Retarding and limiting China’s capability is the only way, according to this school, to address this concern, thus ensuring that there is less raw power for ill intentioned leaders of the future to wield, use, and abuse.<sup>13</sup>

The second is the deterrence of specific forms of aggression. The idea is to shape the manner of China’s rise rather than the fact of it. This approach does not exclude cooperation or even strategic partnership. Competition remains endemic but instead of zero-sum military competition the primary rationale is the provision of regional reassurance, a key part of which is guaranteeing that military expansionism will not be tolerated.

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<sup>13</sup> For example, see John Mearsheimer, *The Tragedy of Great Power Politics*, New York: W.W. Norton, 2001.

One critical distinction between weakening and deterrence concerns the difference between zero-sum competition and regional reassurance. In zero sum competition it is the fact of China's rise that matters not how it gets there, peacefully or aggressively. In regional reassurance it is the reverse; the benefits of a peaceful, and maybe democratic, China outweigh the disadvantages of its increased capability. Take, for instance, a hypothetical scenario of the peaceful unification of Taiwan with a democratizing or democratic China. Under zero sum competition this would be a disaster because additional power and capability accrues to China. However, under a regional reassurance model, the benefits of having a democratizing or democratic China are greater than the cost of losing Taiwan. Moreover, while coercive unification would send a terrible message to the Chinese (aggression works) and the wider region (the U.S. cannot halt Chinese expansion), consensual unification would do no such thing. Similarly, under zero sum competition rivalry between Japan and China is to be welcomed because it signals the emergence of a balancing coalition against rising Chinese power but through a regional reassurance lens this rivalry is unhealthy and destabilizing.

The third form of containment is political in character and calls for competition to maximize influence and leverage in Asia, limiting China's and advancing America's. The rationale is the protection of U.S. interests and equities and the pursuit of a vision of regional and global order that is thought to be normatively and strategically preferable to other models. Political containment falls somewhere in between zero sum competition and regional reassurance. It is not zero sum because it holds out the prospect of accepting and facilitating China's rise in the context of a continuing American led international order but it also goes beyond regional reassurance because its chief rationale is to attain and maintain primacy.

Engagement is also rather ambiguous. Is it a strategy or the default position that commercial interests favor when there are few compelling national security arguments to the contrary? If it is a strategy, how does it relate to accommodation of the rising power's interests? Is engagement to be unconditional or contingent on behavior? What is its goal?

Engagement is often held up as a way of transforming China but it is by no means clear that domestic change in China will move in a positive direction. In fact, given that we are currently faced with a moderate Chinese leadership with ambitions that appear to be limited, it is possible that the status quo is as good as it gets. Consequently, an alternative rationale for engagement may be not to advance transformative positive change but to prevent negative change. For our purposes, the central point is that to be a part of a grand strategy engagement of China must have a political aim and it must be conditional on demonstrably furthering this aim in some way.

So, keeping in mind all of the options, what should America's response to China's rise be. It is best to start with a clear articulation of the U.S. aim. We suggest that it is to integrate China into the Western order in such a way that allows it to realize its legitimate goals and aspirations. By definition this means that China would not be a threat to regional peace.

However, the U.S. needs to be prepared for the possibility that China will reject such an offer and instead seek to undermine American leadership. The challenge therefore is to engage in this competition in such a way that does not exacerbate security tensions and holds out the possibility of incorporating China into the Western order at a future point in time.

The ancient Chinese strategist Sun Tzu advised to make yourself invincible and wait for your opponent to become vulnerable. In other words, vulnerability only comes from within. If there is a competition for influence in Asia, we believe that the U.S. has an attractive liberal model of international order that will fare well against all conceivable alternatives and is more suited to maintaining a stable, free, and prosperous international society. Our efforts should concentrate on improving American leadership rather than weakening China.

Our way of accomplishing this ambition is a strategy of competitive regional engagement. This contains six basic elements.

First, the United States needs to be more strategically engaged in East Asia. For much of the past decade, and not just since 9/11, it has been absent and sold itself short, allowing China to step into the vacuum. Economic engagement is not a substitute for strategy. Indeed, one significant factor in Asia's instability is the uncertainty about America's role, particularly for the next five years when the United States is likely to remain preoccupied with the Middle East. Strategic engagement means talking about issues that matter to America's friends in the region and not having the global war on terrorism drown out everything else since that is of extremely limited interest in Asia.

Second, the United States should be creative in establishing new regional organizations that contain the rise of China's political and economic influence in effect if not in stated intent. Japan's proposal for a U.S.-Japan free trade area is a useful starting point which could be expanded into a political organization with certain rule of law requirements for membership, including liberal democracy. The opening up of membership could work along the lines of the EU accession process; everyone can join if they qualify. This could function as a useful alternative to ASEAN plus three and change the utility functions of Asian states in a way that favors the United States. The trick right now will be to put forward such a proposal in a way that will not make it seem directed against Chinese interests, something that will be difficult given the current state of Chinese-Japanese animosity. Another possibility is a four or five power OCSE-type group coming out of the six-party talks, that would deal with Northeast Asian security issues. Others include a reinvigorated APEC, or a new multilateral institution arising out of the East Asian Summits.

Third, this competitive regional engagement may or may not include China or it could include elements of inclusion and exclusion, with the rationale for exclusion deriving from China's failure to meet the requirements of membership. The advantage of some inclusion is that it sugarcoats a bitter pill, conceals the element of containment, and provides leverage that can be used against China should its external behavior take an

undesirable turn. Moreover, inclusion may allow the U.S. to integrate and knit China into the Western order and have them grow more powerful in our framework. However, it is also very important that engagement with China is not unconditional and that there are options to sanction it should its behavior merit such a response.

Additionally, the United States should robustly insist on being included in all China sponsored regional institutions. The message should be that these are trans pacific rather than pan Asia issues, that the United States has interests, equities, and responsibilities that merit its full participation, and that any other arrangement is a recipe for instability.

Fourth, creative institution building should be accompanied by a strong military capability that is not directed at China but is designed to dissuade it from seriously competing and deter it from specific acts of aggression. Thus, American power is great enough that China cannot keep up but sufficiently benign in intent so as not to threaten offensive action.

Fifth, the United States should actively seek to recoup the credibility it may have lost during the Asian financial crisis and since 9/11 by demonstrating itself to be acutely concerned with the needs of the region and individual states. Thus, it should be willing to define its national interests sufficiently broadly to encompass the provision of specific collective goods and a form of regional order that serves the interests of most Asian states.

Sixth, the U.S. should build on the efforts of the Bush administration and deepen its relationship and alliance with India. India is the other emerging power in Asia. It has enjoyed rapid economic growth, has the largest middle class in the world, and is becoming a more confident player on the international stage. A critical difference between India and China is, of course, that India is a democracy. Perhaps even more importantly India's national objectives (concern about Chinese power, combating Islamist extremism, preserving the open international economy, and protecting energy supplies) closely mirror our own. However, as noted earlier, India is unlikely to be as reliable a friend of the United States as Britain or Japan and may seek to triangulate between the U.S. and China. This is only to be expected but it should provide a note of caution to those who believe that India may be a panacea for all of our strategic concerns.

#### Strengths and weaknesses

In essence, we are considering a strategy that employs elements of conditional engagement with containment as deterrence and political competition while setting the foundations that would allow a transition to containment as weakening in the future if China's intentions take a turn for the worse. One of the benefits of this model is that it increases American political influence but still gives China no reason to fundamentally change its own strategy of engagement. This is important because the United States gains in many profound ways from China's recent good behavior, not least through regional stability and economic growth. The long term challenge is to adopt elements of realist and liberal logics that allows both to breathe and work should conditions allow.

One major constraint on America's strategic choice is what our Asian allies will accept. Many are in a tricky position and do not want to have to choose between China and the United States. If pushed, given the economic and political importance of China, it cannot be assumed they will side with America. Even if China attacked Taiwan in the absence of a declaration of independence it is quite possible, even probable, that few, if any, Asian states would join an American war effort or even seriously consider joining a coalition to contain China after such a conflict. In fact, it would take a major event or a dramatic change in Chinese behavior for there to be any real demand for an aggressive containment coalition, possibly something on a par with Chinese initiated conflict with a unified Korea over Koguryo, a potentially disputed territory encompassing parts of Manchuria and the northern part of the DPRK. The threshold necessary to gain support for the more nuanced strategy of competitive regional engagement being considered here is lower than more aggressive strategies and thus more feasible. Nevertheless, it is still quite high. It is probable that this approach is a goal we need to work towards rather than an architecture we can quickly create.

For some, the chief trade off is that this approach places no check on China's internal growth which would be a primary goal of a weakening strategy. However, there is no feasible strategy for weakening China. We do not want to isolate it economically and we cannot preemptively strangle it militarily. Our current arms embargo may slow down the growth of their military forces but only at the price of making them more self-reliant in the long run. Even if weakening were an option, it would run the risk of turning China into an enemy without just cause and removes many of the incentives preventing a more aggressive rise, such as the promise that good behavior will be rewarded with Sino-American cooperation. It could set back economic growth in the region with possible global consequences. The United States could also lose the high moral ground, and be seen as refusing to take yes for an answer, determined to remain number one whatever the price and whatever the circumstance.

Finally, the competitive regional engagement option outlined above is nuanced and therein lies a weakness. American experience demonstrates the difficulty of maintaining a balanced approach in international competition. The period of 1944-47 is instructive here. As World War II entered its later phases, several American diplomats including Charles Bohlen and George Kennan worried that the United States was being too soft with the Soviet Union and argued for a tougher line. As their argument gained ground they soon became consumed by the opposite fear, that the American position was becoming unreasonably uncompromising. The task is to awaken the American people to the challenge ahead without provoking an excessive reaction.

### **PART III**

#### **THREATS: THE GLOBAL JIHAD, WEAPONS OF MASS DESTRUCTION, AND ROGUE STATES**

Islamist extremist, WMD, and rogue states are separate but linked threats to U.S. security that are frequently conflated and used interchangeably. Of the three, WMD are unique

because they are tools not actors in their own right. Indeed, one of our central arguments is that for the most part these two actors are strategically dangerous only in so far as they acquire these particular tools. In this section, we treat the two actors in turn. The following section assesses options for an American response.

### **The Global Jihad**

There is general agreement across the political spectrum in the United States on the need to

- Take the fight to the hard core Islamists that are wedded to the use of violence for political ends by rolling up terrorist networks and supporting infrastructure before they strike
- Take action against states that deliberately cooperate with terrorists

The key question is whether the nature of the Islamist threat is such that the U.S. should reorganize its foreign policy and grand strategy around it so as to transform, in a revolutionary rather than evolutionary way, the Middle East and broader Islamic world.

The answer to this question hinges on how we understand the political and military threat posed by Islamist extremism. How serious is the threat posed by Osama bin Laden and jihadists of his ilk to the West, and to our way of life in the United States? Is this an existential threat, i.e., a threat capable of undermining the existence of the United States as a successful democracy, on a scale comparable to the threats posed by Nazi Germany or the former Soviet Union?

There is a view that says that we are in essence facing “World War IV,” having been attacked by an enemy potentially as dangerous and powerful as those we faced in the two world wars and in the Cold War.<sup>14</sup> Perhaps the clearest statement of this point of view was that of Charles Krauthammer:

Disdaining the appeal of radical Islam is the conceit also of secularists. Radical Islam is not just as fanatical and unappeasable in its anti-Americanism, anti-Westernism and anti-modernism as anything we have ever known. It has the distinct advantage of being grounded in a venerable religion of over one billion adherents that not only provides a ready supply of recruits—trained and readied in mosques and *madrassas* far more effective, autonomous and ubiquitous than any Hitler Youth or Komsomol camp—but is able to draw on a long and deep tradition of zeal, messianic expectation and a cult of martyrdom. Hitler and Stalin had to invent these out of whole cloth. Mussolini’s version was a parody. Islamic radicalism flies under a flag with far more historical

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<sup>14</sup> See Norman Podhoretz, “World War IV: How It Started, What It Means, and Why We Have to Win,” *Commentary* Vol. 118 No. 2, 2004, pp 17-54.

depth and enduring appeal than the ersatz religions of the swastika and hammer-and-sickle that proved so historically thin and insubstantial.<sup>15</sup>

Thus, this school of thought argues that the political threat we face comes from a version of the religion Islam, that it is thoroughly unappeasable and anti-Western, and that it is deeply and broadly rooted among the world's more than one billion Muslims. It is a challenge that calls for a national effort commensurate with the containment of the Soviet Union over five decades.

We wish to take issue with this diagnosis on three counts.

First, the political appeal of Islamist extremism is grossly overstated. There is good reason to agree with French Islamic experts Olivier Roy and Gilles Kepel that the movement has been largely a failure prior to September 11. Those attacks gave it a new lease on life, as did the Iraq war that was meant to be a response.<sup>16</sup> It is clear that there is a core group of jihadists, represented in the first instance by Osama bin Laden and his ideologist Ayman al-Zawahiri, that rejects Western values and institutions in a far more thoroughgoing way than either the Communists or Fascists did. Communism was a deviant offshoot of the Western enlightenment and professed to believe in the same values of rationality and equality as liberal democracy. To use a language made popular in the aftermath of September 11, jihadists of the al-Qaida variety hate us for who we are rather than what we do. The real question concerns how this group relates to the cultural milieu out of which they come, whether they are somehow a necessary and inevitable cultural byproduct of the religion Islam, or whether they represent a deviant or minority view. There are good reasons to believe that the latter is the case.

Roy has made a brilliant and persuasive argument that contemporary jihadism cannot be understood primarily in cultural or religious terms.<sup>17</sup> Genuine Muslim religiosity has always been embedded in a local or national culture, where the universalist religious doctrine is modified by an accretion of local customs, mores, saints, and the like, and supported by that locale's political authorities. It is not this type of religiosity that is the root of present-day terrorism. Islamism and its radical jihadist offshoots are the product of what Roy calls "deterritorialized" Islam, in which individual Muslims find themselves cut off from authentic local traditions, often as uprooted minorities in non-Muslim lands. This explains why so many jihadists have come not from the Middle East, but have rather been bred (like September 11 conspirator Mohamed Atta) in Western Europe.

Jihadism is therefore not an attempt to restore a genuine earlier form of Islam, but rather an attempt to create a new, universalistic doctrine that can be the source of identity within the context of a modern, globalized, multicultural world. It is an attempt to ideologize

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<sup>15</sup> Charles Krauthammer, "In Defense of Democratic Realism", *The National Interest*, Fall 2004

<sup>16</sup> Olivier Roy, *The Failure of Political Islam*, Cambridge, MA: Harvard University Press, 1996; Gilles Kepel, *The War for Muslim Minds: Islam and the West*, Cambridge, MA: Belknap/Harvard, 2004.

<sup>17</sup> *Globalized Islam: The Search for a New Ummah*, Chapter 1.

religion and use it for political purposes, more a product of modernity (like communism or fascism) than a reassertion of traditional religion or culture. Concepts like “revolution,” “vanguard,” “state,” or the aestheticization of violence come less out of Islam than out of fascism and Marxism-Leninism. Its purpose is primarily political rather than religious, i.e., religion used in the service of political mobilization rather than serving its own ends. It is thus a mistake to identify Islamism as an authentic and somehow inevitable expression of Muslim religiosity, though it certainly has the power to reinforce religious identity and spark religious hatred.<sup>18</sup>

The implication of this view is that we are not currently engaged in anything that looks like a “clash of civilizations,” though the present situation bears enough combustible material that the current conflict could escalate into one.<sup>19</sup> A relatively hard core of undeterrable fanatics is surrounded by a series of concentric circles, representing sympathizers, fellow-travelers, the indifferent, the apolitical, and those sympathetic in differing degrees to the West. Within this group are clearly those who hate us for who we are rather than what we do.

But there is some evidence that a very large number of Muslims in the world do not hate the U.S., modernization, “freedom”, or other aspects of Western civilization. A survey undertaken by the UN Development Program across the Arab world showed strong majorities in virtually every Arab state saying that they would like to move to a Western country if they had the opportunity.<sup>20</sup> It seems fairly clear that quite a few Iranians under the age of 30 who have grown up under the Islamic dictatorship there do not like it, and would much prefer to live in a more open, modern, Western society if they had the choice.

Thus, the problem looks much more familiar to us from the experience of the 20<sup>th</sup> century. The most dangerous people are not pious Muslims in the Middle East, but rather alienated and uprooted young people in Hamburg, London, or Amsterdam who, like the fascists and Marxists before them, see ideology (in this case, jihadism) as the answer to their personal search for identity. The Madrid bombings of March 11, 2004, the murder of Dutch film-maker Theo van Gogh in Amsterdam by Mohammed Bouyeri on Nov. 2, 2004, and the London bombings of July 7, 2005 by a group of British citizens of Pakistani origin all bear this out.

If this interpretation of the nature of the jihadist threat is correct, it has a number of implications for the nature of the struggle ahead. First, the major battlegrounds are as

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<sup>18</sup> This argument is made more fully in Francis Fukuyama and Nadav Samin, "Can Any Good Come of Radical Islam?" *Commentary* Vol. 114 No. 2, 2002, pp 34-38.

<sup>19</sup> This is also, it should be noted, the view of Samuel Huntington himself.

<sup>20</sup> Among the older group of respondents, 51 percent expressed a desire to emigrate from their home countries. Of these, 46 percent wanted to emigrate to Western Europe and 36 percent to the U.S. or Canada. Among younger respondents, 45 percent wanted to emigrate, with 45 percent wanting to go to North America. UNDP, Arab Human Development Report, 2002, p. 30.

likely to be Western Europe as the Middle East. The United States will naturally continue to be a prime terrorist target, but it will not face nearly the same internal threat from its own Muslim residents as many European countries. Of course, the United States and its allies will remain engaged fighting hot wars in Afghanistan and Iraq. But jihadism is a byproduct of modernization and globalization, not traditionalism, and hence will be a problem in modern, globalized societies.

Second, we are compelled to take jihadism seriously *primarily* because of the WMD threat posed by a small number of Jihadists. September 11 2001 brought together two different threats which were much more deadly in combination than they were separately: radical Islamism and weapons of mass destruction. Both phenomena had existed for a long time, the former since at least the Iranian revolution in 1978 and the latter since the dawn of the nuclear age and more recently since the attempt by rogue states to acquire a WMD capability. Both by themselves constituted serious problems for U.S. foreign policy, but put together in a single package, they for the first time raised the imminent possibility that nuclear or biological weapons would be used directly against the U.S.

The United States faced the prospect of nuclear annihilation during the Cold War, and came close to nuclear confrontations with the former Soviet Union on several occasions but deterrence worked and was perceived to be working for most of this period. September 11 underlined the new possibility that there were hostile forces in the world who would contemplate using a nuclear weapon against the United States if they had the opportunity, suicide terrorists who could not, like the Soviets, be deterred.

The possibility that a relatively small and weak non-state organization could inflict catastrophic damage is something genuinely new in international relations, and poses an unprecedented security challenge. In all prior historical periods the ability to inflict serious damage to a society lay only within the purview of states but a recent confluence of globalization, technologies of mass destruction, and extremism amounts to what Joseph Nye has called the “privatization of war”. Violence capability that once only a few great powers could muster could someday fall into the hands of transnational groups with apocalyptic agendas.

The entire edifice of international relations theory is built around the presumption that nation-states are the only significant players in world politics. If catastrophic destruction can be inflicted by nonstate actors, then many of the concepts that informed security policy over the past two centuries—balance of power, deterrence, containment, and the like—lose their relevance. Deterrence theory in particular depends on the deployer of any form of WMD having a return address, and with it equities that could be threatened in retaliation.

Much has been said about the undeterrability of people who are willing to commit suicide in order to carry out nihilistic violence,<sup>21</sup> including in the National Security Strategy of

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<sup>21</sup> See for example Graham T. Jr. Allison, *Nuclear Terrorism: The Ultimate Preventable Catastrophe*, New York: Times Books, 2004.

the United States published by the Bush Administration in 2002. The real question concerns the likelihood that Islamist terrorists could actually get their hands on a nuclear device, smallpox, or some other mass casualty-inducing weapon and use it on U.S. territory. If obtaining such weapons is relatively easy, and the source of the weapons is readily identifiable, then the U.S. would be justified in preemptively going after those sources to choke off the supply. On the other hand, if WMDs are relatively hard to obtain, then the U.S. will have greater early warning and other options for protecting itself.

Third, it is important to separate the technological from the political dimensions of the threat, because this greatly influences what one considers a reasonable response to it, and what kinds of risks one is willing to run to meet it. It also dictates our strategy in response: conceptualizing the threat as the nexus of a small number of extremists and the means of mass destruction implies a global counterinsurgency effort rather than a conventional military conflict and revolutionary transformative change.

In a counterinsurgency war, we are seeking to kill or neutralize a relatively small number of insurgents who are swimming in a much larger sea of less committed people. This makes purely military responses to the challenge particularly inappropriate, since counterinsurgency wars are deeply political and dependent on winning hearts and minds from the beginning.

If we conceptualize the problem we are dealing with as a global counterinsurgency war, then what strategy does this call for and how does it differ from the World War IV approach that Krauthammer, Podhoretz, and others advocate? Conceptually, the difference is quite significant: a counterinsurgency war is at base a political struggle to win the hearts and minds of the broader population within which the hard core terrorists operate; the military part of the conflict is important, but subordinate to the political part. It will look more like a police and intelligence operation than a military conflict.

One can envision the targets of a counterinsurgency war as a series of concentric circles. At the circle's center is a small group of jihadists, probably no more than a few hundred or possibly thousand worldwide, who are willing to take the effort to "martyr" themselves by sneaking into the U.S. and trying to kill Americans. In the next circle is a larger group that is willing to conduct suicide operations in the Middle East, or opportunistically against soft U.S. or U.S.-allied targets around the world (in Iraq, Afghanistan, Morocco, Spain, Indonesia, etc.) Around this group is a larger circle of sympathizers who actively support terrorist operations. In the next circle outward are fellow travelers who sympathize without providing active support, and in the circle beyond that are people who are indifferent politically, but who could provide intelligence and information either to the terrorists or to us depending on their day-to-day reactions to events. Finally, there are outer circles of those who are currently sympathetic to the U.S. or to U.S.-allied governments in varying degrees.

The aim of a counterinsurgency war is to kill, imprison, or neutralize those hard core fighters in the two inner circles, and to peel away as many supporters as possible in the

outer circles. The hearts and minds strategy is directed at the outer circles: the U.S. needs to avoid alienating people in them and pushing them further toward the center, through for example the use of excessive force, torture, etc. In addition, the U.S. needs to provide positive incentives to pull people outward towards the circles of those either indifferent or actively supportive.

### **Rogue States**

Rogue states pose two separate and distinct threats to the United States.

The first danger is that rogue states will provide a haven for terrorists, either deliberately or inadvertently. Since it is widely agreed that terrorist organizations become exponentially more threatening when they have the resources of a state behind their efforts, preventing or breaking a nexus between rogue states and terrorists is widely seen as a critical step in post 9/11 national security policy.

The second danger is the possession by rogue states of nuclear weapons. Nuclear weapons can be found in many states but the states of most concern are those which are institutionally weak, corrupt, tending towards totalitarianism, and with a proven capacity for aggression or high risk behavior, or in other words characteristics most commonly found in rogue states.

Of these two dangers, there is widespread agreement on the first but divergent assessments of the second.

With respect to the first, all states have been on notice since September 11<sup>th</sup> 2001 that harboring and assisting terrorists means that a state is designating itself as a terrorist and is therefore subject to a response and retaliation by the United States. Unsurprisingly, following the destruction of the Taliban regime, most, if not all states, went to some lengths to demonstrate their cooperation in the fight against Al Qaeda. Deliberate cooperation by sovereign governments is now rare. What is more common is A) cooperation at the sub state level, possibly by individual members of the security services of an Islamist state, and B) the use of failed or failing states by terrorists as a base of operations.

With respect to the second, since the early 1990s the United States government has clearly identified rogue states as actors that pose a special threat in their own right, separate from vastly more powerful challengers such as the Soviet Union. According to President Bush, 'Containment is not possible when unbalanced dictators with weapons of mass destruction can deliver those weapons on missiles or secretly provide them to terrorist allies'.<sup>22</sup> The 2002 National Security Strategy argues that the leaders of rogue

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<sup>22</sup> President George W Bush, *Commencement Speech*, West Point Military Academy, June 1 2002

states are 'more willing to take risks, gambling with the lives of their people and the wealth of their nations'.<sup>23</sup>

An alternative school of thought argues that rogue states have been mistakenly conflated with terrorists when they are actually very different, principally because they have a return address and value tangible goods, such as territory, which can easily be held at risk in a crisis or war. As John Mearsheimer and Stephen Walt pointed out before the 2003 Iraq War, even nasty dictators like Saddam Hussein want to survive.<sup>24</sup> Rogue states are often more brutal than democracies but there is little evidence to suggest that they are crazier. Indeed, one could argue that dictators are particularly adept at achieving and holding on to power and are unlikely to engage in any actions that bring the wrath of the world's only remaining superpower down upon it.

We find that there is indeed a risk from rogue states but it is more complex and less severe than we are generally led to believe. It can be disaggregated into the threat of nuclear use and the threat of nuclear transfer.

#### *Nuclear use*

First, we can envisage two ways in which a rogue state may engage in straight forward *irrational actions, leading to the use of nuclear weapons*.

- 1) Power over nuclear weapons might be concentrated in one individual and his or her judgment is impaired, possibly as a result of a mental breakdown, narcotics use, high stress, or suicidal tendencies. While unusual, this should not be discounted.
- 2) Power over nuclear weapons might be delegated to the commanders in the field, either deliberately or because of state collapse, effectively concentrating power in one individual who may fall victim to the above ills or be coerced into acting in a way contrary to the interests of the state. For instance, if directly threatened or blackmailed by terrorists, an autonomous unit in control of nuclear weapons may act rationally from an individual perspective but irrationally as agents of the state.

By contrast, most states, including democracies and most major autocratic powers, provide for a series of checks and balances specifically designed to avoid concentrating complete power in one individual and they have a military structure that generally does not place command of nuclear forces into the hands of officers in the field. Thus, the key point in assessing the rationality of rogue regimes has to do with whether power is concentrated in one individual either at the political or military command level. A single person may be irrational whereas suicidal collaboration is less likely at the highest levels of a state.

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<sup>23</sup> Office of the President, *National Security Strategy of the United States of America*, September 2002

<sup>24</sup> John Mearsheimer and Stephen Walt, "An Unnecessary War", *Foreign Policy Magazine*, January/ February 2002.

There is a second reason why deterrence might fail: *rogue states may be prone to miscalculation leading to inadvertent war*. In the first instance, we should remember that the fact that nuclear weapons were not used during the Cold War is not the same thing as assuming that deterrence worked perfectly during that period. Sporadic but severe crises remind us that deterrence has its limits. Not all of the relations between nuclear states are likely to mirror the conditions that lent some veneer of stability to the U.S.-Soviet Union relationship. For instance, some new nuclear powers may lack a second strike capability. If a state fears that it is vulnerable to a first strike it may be tempted to use its weapons if they believe they are under attack or about to come under attack. Alternatively, they may delegate control to the commanders in the field because of a concern about a decapitation strike, leading to further risk of miscalculation in the event of a communications failure. Additionally, they may use unreliable hair triggers and warning systems that are prone to error. Not all weapons systems will necessarily include the safeguards present in the nuclear arsenals of the great powers. This must be assumed to be a danger with new nuclear powers such as North Korea.<sup>25</sup>

The third reason why the United States may be unable to deter rogue states is that *deterrence may lack credibility* with respect to certain actions, including blackmail and limited conventional aggression. The United States has been able to deter North Korea from invading the South but unable to deter it from other actions that fly in the face of U.S. security. The worry is that a rogue state may invade its neighbor and present the United States with a *fait accompli*, promising to use nuclear weapons to defend its ill gotten gains.

#### *Nuclear transfer*

There is the risk that *weapons of mass destruction or the materials to produce them may be transferred to terrorists*. It is helpful to distinguish between deliberate and inadvertent transfer. There are many reasons why a rogue state would not deliberately transfer fissile materials to terrorist groups or surreptitiously attack the United States with WMD. They would lose control over when the weapons would be used, they have no guarantee that the weapons would not be turned on them, and they could be held accountable if the transfer was detected.

By far the trickier problem is the inadvertent transfer of nuclear weapons or nuclear weapons materials to non state actors. These states are corrupt and shrouded in secrecy. There are few guarantees that the regimes responsible are taking every possible step to ensure the safety of their programs.

Additionally, and possibly most importantly, we need to come to terms with the possibility that a state with nuclear weapons could collapse, possibly because of American actions designed to induce regime change. In the chaos of the days and weeks that follow such an event there would exist a very real danger that nuclear weapons and

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<sup>25</sup> See Scott Sagan and Kenneth Waltz, *The Spread of Nuclear Weapons: A Debate Renewed*, New York: Norton Press, 2003.

related materials could be sold to the highest bidder by entrepreneuring former officials of the collapsed regime.<sup>26</sup>

In the next section we offer some suggestions as to how to update U.S. strategy to address these dangers.

#### **SECTION IV: LOGIC AND DOCTRINE FOR THE USE OF FORCE AND REGIME CHANGE**

The Bush Administration's National Security Strategy of 2002 touched off a vigorous debate in the United States and abroad over whether and when it is appropriate to use force other than in response to an attack (imminent or actual). In the report, the Administration stated:

The United States has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction— and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively.<sup>27</sup>

Many of the Administration's critics denounced this new and dangerous policy, and the Administration itself touted the need to go beyond past practice, warranted by the novel and dangerous threats facing the United States.<sup>28</sup> But the use of preventive force – and the debates over its legality and wisdom -- predates the Bush Administration's post 9/11 strategy. A careful examination of the history, rationale, costs and benefits of using preventive force suggests that while rare, preventive force has a legitimate role to play in tackling some of the most dangerous security problems facing the United States and the wider international community.<sup>29</sup>

Three years later the debate has advanced considerably. In one notable development, The Report of the High Level Panel on Threats, Challenges and Change, appointed by the UN Secretary General, acknowledged that new types of threats had emerged since the adoption of the Charter that need the attention of the international community, and where the security and humanitarian context would justify the preventive use of force.<sup>30</sup>

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<sup>26</sup> The Working Group commissioned a paper on this topic by Michael O'Hanlon which looks at American options in the event of the collapse of a nuclear state. See, Michael O'Hanlon, "Dealing with the Collapse of a Nuclear Armed State: The Cases of North Korea and Pakistan", *Princeton Project in National Security*, 2005

<sup>27</sup> *National Security Strategy of the United States of America*.

<sup>28</sup> President Bush, *Commencement Speech at West Point*.

<sup>29</sup> This is elaborated upon in some detail in a paper commissioned by this group. See James Steinberg, 'The Use of Preventive Force as an Element of U.S. National Strategy', *Princeton Project on National Security*, 2005

<sup>30</sup> *A More Secure World: Our Shared Responsibility*, New York: United Nations, 2004.

The question remains, however, as to the conditions that must pertain for the preventive use of force to be employed. In this section we consider its utility against terrorists and rogue states.

### **The use of preventive force against terrorists**

Successive U.S. administrations have used preventive force against terrorists. During the Clinton Administration instances of such action included the attacks on the Khost training camp in Afghanistan in 1998 and the forcible “rendition” of suspected terrorists to third countries. The Bush Administration has used similar tactics, such as in the case of the Predator strike against suspected terrorists in Yemen in 2002. Other examples of such a policy include the Israeli government’s stated policy of using targeted assassination against suspected terrorists.

There are several reasons to consider seriously the use of preventive force against terrorists. First, at least in the case of terrorists who have resorted to suicide attacks, it is reasonable to judge that they are truly not deterrable. Second, it is difficult to apply a test of imminence, since the nature of their activities makes it difficult to assess imminence with regard to the time and place of attack. As the 9/11 attacks show, there are high potential costs of waiting too long and catastrophic results if terrorists act, even if they lack WMD. The alternatives are poor, since it is impossible to protect every potential target of attack or to interdict an attack once underway, and the collateral costs of the targeted use of force against individuals or small groups can be small. Thus preventive use of force in this context can meet most of the just war tests.

The alternatives to preventive use of force against (committed) terrorists, especially those prepared to resort to suicide tactics, are very limited. The “law enforcement” approach – relying on the threat of punishment – is particularly unattractive in the case of catastrophic terrorism, given the high cost of waiting until the terrorist strikes (or is about to strike), as well as the uncertainty about the likelihood and extent of punishment.

There are, however, a number of countervailing costs and risks. Given the limitations of intelligence, the factual predicate that establishes an individual or group as a legitimate target is inevitably uncertain, risking the killing of innocent individuals. The fact that these determinations are not made in a systematic way with “due process” safeguards risks undermining the rule of law in favor of arbitrary judgments of who is “guilty.” The use of force in this context risks legitimizing the extrajudicial use of force by any state who asserts that the actions of third parties represent a threat to their security, such as those who oppose the Iranian regime. Similarly, this extrajudicial use of force undermines America’s claim to be the avatar of the rule of law. There are also political and diplomatic costs associated with using force in a country that is not in a state of war with the United States.

Considering the arguments for and against together suggests that the preventive use of force against terrorists is a necessary tool, but should not be used indiscriminately, and

strong internal controls should be adopted to assure to the greatest extent possible a strong factual predicate.

### **The use of preventive force against rogue states**

In recent years there have been a number of examples of the preventive use (or threatened use) of force to deprive a potential adversary of the capability to attack. The classic example of course is the Israeli attack on Iraq's Osirak nuclear reactor; the 1994 threat against Yongbyon in North Korea and the attacks against Al Shifa and Iraq's WMD capacities in 1998 fit into this category.

There are a number of plausible arguments in favor of such preventive actions. Most compelling is the fact that in some cases, the mere fact of possession of a dangerous capability may be judged unacceptable (either because it frees a state to act more dangerously believing that the possession of WMD insulates it against attack, or because its possession might lead others to seek similar capabilities, leading to destabilizing proliferation). In this case, intention is irrelevant, so the traditional tests are inapt. Second, the threat of preventive strikes may help to deter the potential acquirer from pursuing the dangerous capability, or lead them to the negotiating table, as with the North Koreans in 1994. Third, some elements of dangerous intent may be hard to detect, such as, for example, the transfer of WMD from a state to terrorist organizations -- so in the case of states with ties to terrorists, the possession may be the closest one can get to a warning. Similar considerations were adduced in support of the use of force against the Soviet missile deployment in Cuba (the short flight time and lack of anti-missile capability meant that at the point that the threat became truly imminent, it might have been too late to respond). Targeted attacks on facilities might have limited collateral damage (or not, as discussed below) and are clearly proportional, in the sense that they are limited to ending the dangerous capability, not inflicting broader harm.

A related category of the use of force involves the overthrow of a regime in the absence of evidence that the regime intends imminently to attack. The most obvious example is the overthrow of the Taliban in Afghanistan and the intervention in Iraq. The predicate is that the regime is simply too dangerous to be allowed to continue in power. There is a humanitarian analog possible as well -- that the regime's human rights violations, or its inability to protect its own people, justify its replacement by force.

As the Afghanistan case demonstrates, it is possible to conceive circumstances where there appears to be no other way to eliminate a threat (virtually every other tool had been exhausted vis a vis the Taliban). In the case of Iraq, the argument might be that the failure of Iraq to meet its obligations pursuant to the 1991 ceasefire and accompanying UNSC resolutions, justified recourse to war.

The justification for the use of force to overthrow a regime is tied up with the arguments, advanced mainly by some neo conservatives, in favor of forcible democratization. This position points out that it is now well established that stable democracies tend to be better governed than non-democracies, meaning that a society may be less prone to bouts of violent anger and there is less chance of corruption producing cooperation between

security services and terrorists; they are also more peaceful towards other democracies; and there is considerable empirical evidence to suggest that they are more successful economically.

It is tempting to state that the United States will not tolerate the acquisition of nuclear weapons by any rogue state or forcibly change regimes at will but it is also a clear falsehood. In recent years North Korea has steadily increased its nuclear stockpile while Iran appears intent on building the infrastructure capable of producing nuclear weapons. All of this has occurred in the face of vigorous American opposition but little prospect of direct military action.

There is general agreement that on balance the spread of democracy to rogue regimes is to the benefit of the United States. The real problem, however, is that we cannot count on regime change working and pursuing it as a policy goal largely rules out the possibility of a negotiated outcome. Moreover, regime change may have other short-term consequences that border on the catastrophic and can directly contradict the goal of WMD disarmament and counterterrorism. In particular:

- Regime change, in a country with nuclear weapons, may result in a state collapse and the transfer of those weapons to terrorists.
- Regime change, as a matter of stated doctrine, could encourage proliferation because it encourages tyrants to raise the cost of the use of force to the United States. It is now known that the U.S. attacked Iraq which lacked WMD but does not attack the DPRK which has nuclear weapons (in fact, the unacceptably high cost of such an operation is often cited as an excuse for inaction).
- It may make rogue states entirely unreceptive to U.S. efforts to encourage either non-proliferation or effective control over WMD.
- Regime change without a guarantee of stable government may produce “one vote one time” or civil conflict, as in Iraq, where parts of the country go ungoverned. This can be particularly dangerous in a country of vast strategic importance.

None of this matters much if the state lacks nuclear weapons, has no prospect of acquiring them, and is not very threatening to American interests. For instance, the goal of regime change may be well suited to regimes where the issue is chiefly crimes against humanity (as in Zimbabwe, Sudan, and Serbia in the 1990s). Where it does matter (North Korea and Iran) the emphasis must be placed on stable governance- to prevent the inadvertent transfer of WMD and sub state sponsorship of terrorism- and evolutionary change whereby the U.S. works towards regime change over the long term but eschews the use of military power to bring it about.

Given the dangers of a preventive doctrine it is worth asking whether there is any way to update and employ deterrence, a traditional tool of the Cold War, to address the dangers posed by rogue states as they are described above, i.e. to prevent the use of nuclear weapons or their transfer to terrorist organizations?

Presently, some rogue states are seeking WMD in order to deter the U.S. Consequently, the United States should declare its willingness to provide negative security assurances (a

promise not to attack) as part of a bargain with rogue states in exchange for the verifiable abandonment of all attempts to develop WMD. The key dilemma is how to offer reassurance to dissuade rogue states from acquiring WMD in a way that does not lead to the provocation of weakness. Therefore, such assurances could contain clauses rendering them inoperable in the event of conventional aggression against another state or acts of genocide.

Of course, the United States would retain the capability of destroying a rogue state without nuclear weapons so why should such assurances be believed by any dictator? The most compelling reason is that the negative security assurance is a tool the United States may want to re-use to dissuade future rogue states from acquiring nuclear weapons. The breaking of a promise would result in the loss of this method of assuring non-proliferation. Such assurances could be given in the context of a revived Nuclear Non Proliferation Treaty.<sup>31</sup>

In relation to the danger that rogue states will use nuclear weapons to defend the fruits of conventional aggression, the United States should state that it will not consider as credible any statements by rogue states that they are willing to use nuclear weapons to hold on to the fruits of conventional aggression. If the United States were to elevate this statement into doctrine it would send a signal that following through on it would be a matter of American credibility. To bolster this position, budgetary priority should be accorded to the development of conventional military capabilities designed for offensive action against hardened targets

What if this effort fails? How should the U.S. then proceed? One way of thinking about the threat of transfer to terrorists- one of the most commonly cited concerns about proliferation- is to ask how the United States can create overwhelming incentives to persuade rogue regimes to take extraordinary measures to secure their weapons of mass destruction programs from the threat of inadvertent transfer.

For instance, one simple step, which may already be implicit in U.S. foreign policy could turn the transfer of nuclear materials or weapons from a risk to suicide: a declared doctrine of 'attributive deterrence', that the United States will hold rogue states with WMD responsible for the use of WMD by terrorist organizations. Recent years have seen considerable advancements in technology that allow the U.S. to attribute a fingerprint to all nuclear materials, thus allowing for the after the fact detection of the source. However, this technology remains far from perfect and comprehensive. Therefore, if the source state cannot be determined all rogue states with WMD programs will be held responsible. Linking an existential threat to rogue states to the likely response to the next terrorist outrage is likely to be more credible than threatening the preventive action in a normal peacetime environment.

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<sup>31</sup> There was a failure to reach agreement at the 2005 NPT Review Conference. The chief stumbling blocks included disagreement about the loophole that allows the peaceful pursuit of nuclear energy and the failure of nuclear weapons states to progress towards disarmament.

If all of this fails and there is reason to believe proliferation is leading to a nexus between WMD and actors willing to use them aggressively, the U.S. should be willing to consider the use of preventive force to destroy WMD facilities or in exceptional cases to topple the regime.

The Bush administration has emphasized the importance of regime change as a tool in counter proliferation efforts but forcible regime change is less likely in the aftermath of Iraq. Yet, influencing the internal politics of states remains important and the United States has an interest in promoting good governance, political accountability, democracy, and strong institutions. But the primary instruments by which we do this are mostly within the realm of soft power: our ability to set an example, to train and educate, to support with advice and often money. The secret to development, whether economic or political, is that outsiders are almost never the ones to drive the process forward. It is always people within societies—sometimes a small elite, sometimes the broader civil society — who must create a demand for reform and for institutions, and who must exercise ultimate ownership over the results. This requires tremendous patience as institutions are built, organization are founded, coalitions are formed, norms change, and conditions become ripe for democratic change. This process can sometimes benefit from the application of hard power, as in the Balkans, but any such application should more typically come reluctantly and with careful forethought rather than early and often.

Moreover, we should not kid ourselves about the likely short-term costs of Middle Eastern democracy. A Turkish-style transition to a secular democracy based on Western models is extremely unlikely in most parts of the Arab world. Greater democracy will come through political participation of Islamist groups in a pluralist political order. Many of these groups have an uncertain commitment to democracy. Even if they are willing to contest elections, most are not liberal at all, and some, like Hamas in Gaza or Hizbollah in Lebanon, have started out as terrorist organizations and will continue to use terrorist tactics. What we can hope for is that they will eventually evolve into more responsible political parties willing to accept pluralism in principle rather than simply out of necessity. But the short-term consequences of democratic transition may mean setbacks for women's rights, religious tolerance, and the like.

While political reform in the Arab world is desirable, the United States faces a big short-run problem: it has virtually no credibility or moral authority in the region. The dominant image of the United States is not the Statue of Liberty, but the photographs of prisoner abuse at Abu Ghraib; pro-Western liberal reformers feel they have to distance themselves from the U.S. and are targeted for accepting grants from organizations like the National Endowment for Democracy. This will not, hopefully, be a permanent situation, but it may mean that a strong push for political change coming from Washington at this juncture may be counterproductive for now. This underlines the importance of having alternative international institutions to promote democracy and reform, like the Community of Democracies, that can distance themselves a bit from Washington.

## SECTION V: CONCLUSION

A major theme running through this report is the role that multilateralism and international institutions can play in helping the United States achieve its goals. This requires a major shift in our collective mindset. Over the past decade multilateralism has become synonymous, for many, with the United Nations, French vetoes, and scandal. Regardless of the merits and demerits of this perception, it is a sideshow. Few, if any, Americans favor empowering the UN with authority over the decision to use force and the UN itself is not representative of the vast array of institutions that underpin the Western order. Whether or not one supports it should be largely irrelevant to whether or not one is inclined towards a multilateral strategy. The real issue is whether we are willing to make multilateralism work for us as President Truman and others did. Strong multilateral alliances add to America's capabilities and they make our policies more acceptable to others.

We have already spoken about some of the specific ways the United States can work in this way in Asia and the Middle East. However, in our view, reinvigorating the Western order holds the key to dealing with the two great tasks facing the United States: coping with the shifting balance of power in Asia and reaching inside failing and rogue states to reduce the threats of catastrophic terrorism and weapons of mass destruction.

Towards this end, the United States should try to strike a new grand bargain with Western Europe and bridge the gap that has emerged between these two old friends. A reformed NATO would be at the heart of such a deal. Americans would offer to work with Western Europe in real, deep, and meaningful ways to shape the future of the Western Order and deal with the threats and challenges of the coming decades. In exchange, impediments to collective action, such as the veto rights of smaller actors, must be eliminated. Multilateralism must facilitate, not impede, national security policy. Moreover, European states must prove willing and able to make a real contribution, including higher defense expenditures and a willingness to use force where necessary.

However, a change in attitude is at least as important as a change in the rules. Growing anti Americanism- a major barrier to Western cooperation- is not the sole fault and responsibility of the United States. Europe has a choice to make. It can act as the enabler or spoiler of an American led Western order. Part of the onus is on the United States to provide an attractive model worth signing up to. However, part too rests on European decision makers who must abandon the temptation to play the role of critic and look only inward and instead accept the responsibility of dealing with the world's most intractable problems.

A unified West offers the best hope of stabilizing the Middle East and influencing the development of failing and rogue states in a positive direction. It also should demonstrate the robustness of the Western order to rising powers, such as China, and encourage them to join rather than overthrow it.

### **Summary of key findings**

- East Asia is likely to pose the greatest challenges to the United States over the coming three decades. Thus, we need to move toward an Asia centric grand strategy that can consolidate the American position and head off trouble before it occurs. A central part of this strategy is an effort to compete with a rising China for regional influence.
- The main stumbling block in the way of such a necessary strategic shift is the ongoing war in Iraq. Failure in Iraq would be catastrophic for the United States so we should avoid any temptation to cut and run. We need to work our way through available strategies to create a stable functioning government and be careful not to allow the best to be the enemy of the tolerable.
- What goes on inside states matters profoundly for the United States. However, we are poorly equipped to influence these developments on our own. We need to create a new set of institutions to penetrate failing and rogue states to guard against terrorism, weapons of mass destruction, and regional instability.
- The war on terrorism is a global counterinsurgency campaign, not a clash of civilizations. The center of gravity this war is now Iraq, but Western Europe is also a battleground, where the primary challenge is to integrate disaffected Muslims.
- The preemptive and preventive use of force is acceptable but fraught with danger. We ought to be very careful about when it is employed and ensure that it does not rule out more effective options. It is likely to have greater utility against terrorists than states.
- Institutions are tools of American power and facilitate national security. We must relearn the benefits of multilateralism.
- Rebuilding the Western order is critical to the security of the United States. Refusing to even try will cause a collapse in our power over outcomes, providing us with great autonomy but little influence. The key to this process of rebuilding is a series of new grand bargains between the United States and other democracies.