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Transforming Foreign Aid for the 21st Century: New Recommendations from the Brookings-CSIS Task Force

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Moderators:

GEORGE INGRAM, Vice President, Academy for Educational Development

JOHN HAMRE, President and CEO, Center for Strategic and International Studies

NANCY LINDBORG, President, Mercy Corps

Panelists:

PAUL CLAYMAN, Chief Counsel, Foreign Relations Committee, US Senate

CHARLIE FLICKNER, Former Staff Director, Committee on Appropriations, Subcommittee on Foreign Operations, U.S. House of Representatives

STEVE HANSCH, Senior Associate, Georgetown University Institute for the Study of International Migration

STEVE MORRISON, Africa Program,

Center for Strategic and International Studies; Executive Director, HIV/AIDS Task Force

LARRY NOWELS, Specialist in Foreign Affairs, Congressional Research Service MICHAEL O'HANLON, Senior Fellow, Foreign Policy Studies, The Brookings Institution

ROBERT POLK, Adjunct RSM Operational Evaluation Division, Institute for Defense Analyses

STEVE RADELET, Senior Fellow, Center for Global Development and former Deputy Assistant Secretary of the Treasury for Africa, the Middle East, and Asia

Panel III: Conflict Abroad and Security at Home

MS. BRAINARD: Do a quick introduction, which is just to say that we're really delighted to have Dr. Hamre have to kick off this panel and to talk about CSIS' extensive work, particularly in the area that we're going to talk about last, which is in the Conflict and Security area. Again, I encourage you to read the chapters by Patrick Cronin, who, unfortunately, couldn't be here today, but goes into great detail, both on the post-Conflict side and the Security and Strategic Assistance. So over to you.

DR. HAMRE: Lael, thank you. First of all, can we get people -- sit up here at the table. I think, you know, ranks have thinned out, we want to fill around the table, you're all important, come on up, please, seriously. Don't sit in the back, and it's a long, skinny room, it's a little hard to see everybody, but it's important to have everybody participating here. First of all, let me say thanks to you, Lael. I mean I -- you're a pioneer in working in a very systematic way in getting these issues out on the table. I had the privilege of trying to get up to speed for this conference here in the last two days and read the -- it's called a monograph, it's bigger than a monograph, that you put together, and it's just terrific, it's really good, and I think it represents -- it's probably the densest, you know, book of ideas I've read in a long time, and it's too damn much, I kept -- it's kind of like the (off mike) death march and the executive chapter, another page of seven bullets, you know, but it really -- it's that big a problem.

We have, as a nation, really been sleepwalking through the last, at least the last ten years, maybe the last 20 years on all of this. I mean there are few people, you know, like you, Charlie, and others, that have been, you know, been working in the vineyards, but you've had the worst of two worlds. You had the, you know, the complete neglect of the larger policy community and the political community, that wanted to jump in and cherry pick on little issues when they came up, but didn't want to devote the systematic attention that this is -- that is needed. And then you had the -- it got further distorted in the post-911 environment, where in our paranoia, we started flailing around looking for a plan, and the only thing we could find was our six shooter, you know. So this is an area that is hopelessly overly engineered and willfully under directed, when you think about it. I mean there's far too little strategic direction for this whole area, and far too much constraining engineering detail that ties everybody up in knots, and boy, does that come through in spades when you read your executive summary, you know. So it's a crucial thing, and I'm really so pleased that you took the lead in working with this.

This session, we're going to talk a little bit about, you know, one of the dimensions that's probably overly, has cast too big a shadow over the last five years, but it's understandable, you know. After 9/11, you know, it made Americans paranoid and insecure. And so, you know, when America gets paranoid and insecure, it usually, you know, reaches for its guns. I understand that, but I think we've also seen, especially over the last two years, that the instruments of violence are astoundingly inefficient, you know, ways to express national power, and we are now living through that.

And so we're caught in an era, and it's unavoidable really. I mean we're caught in an era now where we have to use these tools, but we don't really have as large and structured context to use them well. And yet we're caught with our domestic politics that says if you don't do it, it looks like you're weak, you know. We've got this back-drop of domestic politics that compounds it. So the only answer to get through this, I mean there's a broader thing, which you've certainly got into in great depth here, but the only answer in your term is, we've just got to be a hell of a lot smarter on how we do this use of force. And for that, I'm grateful that both Bob and Michael are here to lead this discussion this afternoon. Both of them are very thoughtful observers here in Washington, in the policy community, on the way -- it's really how force fits in the larger context of America's intents and purposes in the world.

And you don't really find reflectiveness inside the government these days, and it's too hard because of the politics, you have to look outside, and that's what I think you guys are working on, both of you in your own ways. I don't know, we haven't decided in advance who's going to start.

MR. POLK: I sent Michael my notes ahead of time, so he may have a better idea of whether he would like to go before me or after; maybe he didn't have a chance to look at it.

MR. O'HANLON: The real question is, do you want the expert first or second, because he's the man.

DR. HAMRE: I just love this al fons (phonetic) going on.

MR. POLK: Well, I will say --

DR. HAMRE: Bob, why don't you start?

MR. POLK: Okay.

DR. HAMRE: I'm just going to pick on Bob. Bob, of course, is at IDA now, and he's got this really fascinating, you know, orange (phonetic) team project that's underway. I've had the privilege to work with him a bit, and you know, he's trying to develop, you know, a doctrine for, you know, integrating all the tools and elements of the federal government in post-conflict environments, and of course, just that very term, doctrine, scares the hell out of everybody who's not DOD, right, I mean that's part of the problem, it's one of those -- it's the vocabulary the military brought to the NGO world that scares the shit out of, excuse me, scares the poop out of them. My wife is working on me.

But I think he's got some very interesting thoughts. Bob, why don't you start and then we'll turn to you, Michael.

MR. POLK: Sure.

DR. HAMRE: Okay, get going.

MR. POLK: Great; thank you for allowing me to come here. And I know that I will have the good fortune of being the one to deliver the swift kick to the shins of Patrick Cronin for not being here. On behalf of the team here, I've not heard anybody who hasn't suggested I should do that. (laugh) I happen to be flying out to join him for another series of events this Saturday, so I will deliver the message in person. (laugh)

I'm very happy to talk to you guys about not only the work that I'm doing on doctrine, and we've been broadening our concepts quite a bit, but also I think from the comments I've heard around here, I hope some of the things that I say on some larger issues will be useful as well. I'm going to read my remarks, if you don't mind. Our panel is entitled Security and Conflict, but this subject, like any other for me, starts with a selfreflection and an assessment of my own experiences as a start point before I speak on anything. Since I've been in the world of a practitioner much longer than I've been in the world of an analyst, perhaps it is these personal experiences that may prove most beneficial here today to you all.

As I make my remarks, I assume that we all here understand much of the great work and insights already provided in the documents that Lael and Patrick and their team have outlined so I will dispense with much of the build-up. And to keep it succinct, I propose to offer you a few thoughts from two perspectives; first, my perspective from Iraq, in 2003, as a strategic inter-agency planner working directly for both Jay Garner (phonetic) and Paul Bremer; and secondly, from my last year cultivating my own ideas about wider USG reforms aimed at improving U.S. competency abroad.

I assume that you also have a pretty fair grasp of the recent history on the planning in Iraq, such as it was or wasn't. I will then skip over the tactical details and go straight to the points that I want to leave you with. My experiences in Iraq, working on issues of foreign assistance as a national implementation rather than a policy planner, gave me an insight into certain aspects of the challenges, the great challenges of integrating ad hoc inter-agency teams lacking capacity and authorities to get the job done. These challenges would later compel me to begin my own work towards reforms. Observing these challenges in Iraq led me to some interim conclusions that I want to share with you. Even though these thoughts may not be specifically tailored to the issues of conflict and security, if I am successful, I may convince a few of you that these thoughts at least may help in examining why some of our conflict and security strategies have fallen short to date.

So I will list some of these observations that I have. First of all, we are awash with complex solutions, but we don't yet understand all the roots of the problems we face either here in our own country or in foreign lands. We have not yet fully validated our first assumption in all of this with the American people and their elected representatives. And that assumption, of course, is that we will, in fact, be doing more, not less of these foreign engagements for various purposes, in the future.

I've had the great pleasure of spending some quality time with Retired General Zinni lately. One of the things that he likes to say as he goes around the country speaking is that he's often bombarded by the question of why we are doing all of this around the world and why does it matter. When he asked these same people to describe their list of so-called more important, U.S.-only domestic issues, General Zinni is quickly able to turn the perceptions around by demonstrating that, in fact, most of the issues that Americans find, what they believe to be U.S.-only actually find their roots emanating from abroad. I believe this is a message that we need to get out.

We don't yet realize that many of the presumptions upon which we base our foreign assistance approaches are, in fact, built upon western myths and fictions. As a good friend of mine, Gunthrum Warner, likes to say, these are fictions that we create. One such myth revolves around the notion that all democracies are Jeffersonian. In fact, no two democracies are alike. They all have adapted to their particular environment, and you could list the many different examples. The truth is that democratic formulations across the vast majority of successful countries, the countries we would call successful countries, are the result of blending socio-political, economic, moral forms and theories of power management into a coherent unity concept. Said another way, these countries succeeded by managing the "others" in society. I know that that doesn't sound particularly appetizing but failure to do this management in other lands has often resulted in resurgence of conflict and even break-up of states.

We don't yet have a concept for the primary role of civilian leadership in the field during conflict environments. American governmental civilians have abdicated their responsibilities and authorities in the field to the DOD, and here I mean American governmental officials, official America, if you will. Obviously, other type of civilians are very involved continuously in conflict environments all the time. But it is the official civilian that must show leadership in leading the military into situations for which they are prepared. It is the civilian that must demonstrate citizenship adhered to the core principals and values upon which an intervention is based, especially when things get tough. Why, for example, would we evacuate an embassy staff just to replace it later with contracted ad-hoc civilian-led reconstruction teams?

We don't yet have a robust civilian concept for embracing what I refer to as the

operational culture, or said another way, a bottom up concept of operations. Let me give you a couple of illustrations.

Walmart is about the store, everything -- echelons above the store, all the way up to the corporate headquarters is about making the local store successful. In the DOD, everything -- echelons above an army or marine division, all the way up to the geographical combatant commanders to the Secretary of Defense is about making that front line unit successful, full stop. Can we say the same thing about the Justice Department, or Commerce, State, OMB, USAID, for that matter, Congressional committees, et cetera? I don't think so. Not because they wouldn't want to, but it's not in their culture, it's not in their capacity, and quite frankly, they don't have it in their mission statement.

We still persist in defining End States in rather measurable and concrete ways, rather than accepting changing from one old process to a new process may be the best we can hope for. We still persist in rather bold predictions of success. I believe in truth in advertising. Maybe all we can promise is regime change and not stabilization in a particular case. If that's the truth and that's all we have to offer, then maybe that will make us make different decisions.

We unnecessarily, in my mind, couple our national prestige to these lofty goals, even when the situation demands a fresh perspective and a change in course. In other words, we are rigid in our approach to change in an environment that is mostly fluid and often largely out of our control.

We insist on phases that separate our actions as a team in what I call temporal time dimensions that no longer make sense in these environments. In fact, we have learned that all our "lines of actions" in these environments such as governance, rule of law, strategic communications, and here I'm talking about the context of stability and reconstruction operations, in fact, occur to a more or lesser degree simultaneously from day one all the way through to the end. Therefore, there are few exceptions and even fewer examples where groupings of these events into mostly artificial phases add any value at all to the wider complex environment of inter-agency actors. The principal most important actually is not phases, such as a Phase IV, which suggests sequential, if not delayed, actions and events. It is the principle of integrating amongst the lines of actions that are most critical. When I was in Iraq, I spent most of my time taking the 26 senior advisors to the 26 ministries, laying their milestones out on a horizontal timeline and then finding way to get them to work amongst each other and not just along their own paths. All partners of any operation must see their neighbor's actions as indispensable to their own success, and so then create true inter dependencies.

Until we have a better idea, I believe we need to reform USAID and not simply criticize it into isolation. It has worked before and it can again. It needs our support. Having said that, I know that today there are significant challenges with the Department of State and Aid about the perceived impingement of the new DFA on regional bureau turf, specifically regarding who gets to ultimately control the policy agenda. That this new position at least now finally aligns foreign assistance better with strategy and policy is a new positive development in my mind, yet the irony is that this alignment is actually happening in reverse, or so the inside joke goes, that state is aligning to aid. We'll just have to see how this all sorts out. And, of course, you're hearing rumors of either Burns or maybe even Tobias taking over Zoelick's job, and if he were to do that and take the DFA position with him, I think you'd see fireworks going off over the State Department.

We need to build trust back into our system of field management. The capitals must trust field reps and let them do their jobs, expect mistakes to happen, and support

the efforts when it isn't exactly clear what the next day will bring. Expect and embrace flow. Prepare forces, personnel, and organizational culture for adaptability.

We don't yet have an inter-agency-wide civilian personnel concept matched to an adaptable expeditionary civilian organizational concept. Sometimes we mix the two up.

We don't yet have a national self-vision or a sense of ourselves as an interagency team, functioning together at the capital, regional, and at the country/ field levels.

We don't yet have an American culture that embraces prevention. We are much more willing to pay the price of crisis response.

We are not yet concerned enough as a society to force our elected officials to bring about a more balanced of tools, both soft and hard. As a result, our Presidents, plural, have many more limited options to consider when facing situations abroad.

We are just now understanding that there are fundamentals that we could all benefit from in some sort of a written doctrine.

We don't yet realize how broad the reforms must actually be in order to bring about lasting and holistic improvements. We don't understand the ripple effects of one change on another in this town, or the real problems beneath the symptoms we so often call problems.

We are getting better about understanding that it's not just about stability and reconstruction, which is what is in vogue today, but we still seem to be prioritizing our efforts these reforms to gain immediate results as Lael and many others have talked about. We should be talking about new philosophies, values and such that will radically alter our approach/ concepts to foreign engagements from the inside out.

We don't yet realize that these changes will be measured in terms of decades, notmonths or even years.We don't yet realize that the impact of the DOD, and I'll

call it "success", over the past 50 years, has really had on the atrophy of the rest of the inter-agency, and we certainly don't know what to do about that imbalance.

We don't yet fully realize that the insidious, albeit well-intentioned side effects, of allowing the DOD to continue to lead on most civilian concept development in this town, in this burgeoning area of what I call micro-reforms. We need a paradigm shift. And I'm a guy that came from 20 years in the military, just retired last year, and I'm proud of that service, but I'm telling you, there's an imbalance. We need a paradigm shift in all echelons of leadership away from the current default psychosis on the primacy of military leadership in crisis events. A period of even greater discontinuity and effectiveness may immediately follow, but the longer term pay-off of a realinged civilian-led culture of foreign engagements will be worth it. The Brits and the Germans get it precisely because their civilians lead in a culture where the military has to be more resourceful to get its job done. This is not building a case for reducing our important national asset, but rather a call for an increasing partnership capacity in the wider interagency.

We don't yet have an acceptable forum and a methodology to bring about these comprehensive changes. And my final point on this particular area, we don't yet realize that change doesn't really come from inside jobs, it usually requires external agents of change to make things happen.

These are actually only a few of my thoughts, and they have stirred me. In part, they have led me to my final few thoughts from a new perspective of a budding reformist. As I consider what to do about all this, as I considered what to do, I was encouraged by the atmosphere of reform and the ongoing efforts inside the public and private sectors, both in this capital, and indeed, in other capitals of most of our active international partners. I have not, however, become convinced that any of these efforts will ever get on beyond addressing parts of a whole. I then want to leave you with a view inside what I believe may become at least a part of the answer to this holistic approach.

Last year, my colleague, James Clad (phonetic) from NDU, and I began work on directing a project to develop an example national framework for managing foreign engagements that some would call the first inter-agency foundational doctrine publication. Our overarching intent, however, was then, and is now, the use of a process of bringing people together on this topic to drive an even larger goal of stimulating necessary forums to implement such a doctrine.

Along the way, we met and now am fortunate to consider ourselves partner with the chief architect of the original Goldwater-Nichols Act of 1986, a fellow who led -who worked for Nunn and Goldwater, and worked with John Hamre quite a bit, as well, on socializing the problems beneath the problems, the root causes through this publication I am holding, which included 91 recommendations which then became, over a period of years, legislative reforms. He did this for one department, we're now putting our heads together with others, hopefully some of you in this room, to think of how we can do that for the wider inter-agency. Former Assistance Secretary of Defense, Jim Locker, has a history of bringing about large organizational change successfully. We found ourselves, fellow travelers, along a long and dusty road. We have since built upon a grant from the Smith Richardson Foundation and have begun a campaign to socialize the need for change, much as this wonderful body of work here at Brookings intends to do.

We've also conducted a series of engagements with key officials in the administration to express the need for an independent, non-turf encumbered, externally driven, bipartisan whole-of-government study of the underlying problems preventing the United States government from formulating and executing coherent foreign engagements. We also have key media outlets that are poised. We don't think that time has yet come. Public and private institutions are expressing great interest in funding and participation. Congressional sponsorship in our minds may yet be imminent. And all existing reform efforts that we know of in the town already are welcome into the final analysis. We call this program the Orange Team Project. And I'll stop here for now.

I would be happy to hear any thoughts about any of the two areas that I covered. Any of my experiences in Iraq, if you want to know how it really happened on the planning or not, I was there, and I was a key person in that, and I will admit to our mistakes and our successes. Or if you want to talk about questions on reform, I'd be happy to do that as well. Thank you.

DR. HAMRE: Bob, thank you. A really very rich introduction. I've got three people sitting in the back and I've got three empty chairs here at the table, so get on up here, okay. Seriously, come up, sit there, we've got them over here, too. And I failed to mention that Bob is retired from the army, army ranger, a bronze star recipient, holder of three masters degrees, and is now over at IDA, and we're really glad to have a guy of this depth and talent, thank you.

Michael, I'm going to turn to you. Everybody knows Michael O'Hanlon, Dr. O'Hanlon. He is here at Brookings, an enormously prolific writer, he's written extensively on a wide range of issues. This is, again, one of those areas that he's spent a good deal of time on. I've had the pleasure to testify with Michael on a number of occasions during the last year, and we're really grateful that you could be with us today, Michael. Turn to you, get us going.

MR. O'HANLON: Thank you, Mr. Secretary, it's a real treat to be here with all of you, and also nice to see Gordon Adams here, who has great expertise in implementing some of the things I'm going to talk about in a more theoretical way, and so I'm looking forward to the conversation. You've heard two very powerful, broad arguments about the need for a balancing of our tool kit in foreign policy, and I want to give three specific proposals, just to get them on the table. I'm going to do it fairly quickly so we have time for conversation, and also recognizing that I have not really developed these in such elaboration that I merit more than a few minutes of your time in laying them on the table, but I hope they're worth at least beginning the discussion about.

One is something that the Clinton Administration began, and that the Bush Administration has dramatically expanded, and it is a very good idea, but it has a lot of problems, and it's called the Africa Crisis Response Initiative initially, now it's called the Global Peace Keeping Initiative, it's the kind of tool we need to help other countries get better at addressing their security needs abroad.

And you'll see very quickly, I am not pretending to have a complete agenda for you to address the topic here, so I could be in trouble with Lael at the end of the session, but I just want to be concrete and specific. And again, we've had some very good, powerful opening arguments that I think couch the broad issues, so I want to just give three specific examples of where we might go.

Right now we're spending about \$100 million a year on training other countries militaries, largely in Africa, to get better at peace keeping. Now, there have been huge problems with this. HIV/Aids has devastated a lot of the forces and taken away a lot of the good people we trained. A lot of these countries have their own internal challenges, which always raises the question about whether you're training people to keep the peace, or abuse their own citizens, or get involved in civil wars, where you may not like the side they take. So there are always broader political questions that have to be acknowledged and studied in helping any one particular country deal with its capacity.

But overall, having said that, it's a very important area for us to keep pushing. There is no way the United States, even in circumstances where we're not in Iraq with 130,000 people in country and 30,000 more in Kuwait, there's no way we're going to do a lot of these sorts of missions, as long as we're a political system and a political body of the type that I recognize in our country today, we just don't like doing these things that much, and people who accused us of being hegemonous ought to, I think, take a little more note of the fact that we actually don't enjoy using our military.

We like the Ronald Reagan style, keep it shiny, keep it good, and don't use it. That is the model that 90 percent of Americans prefer, and it means that we're never going to do a lot of (off mike) and Rwanda's, and probably fewer of these sorts of missions than we should, but I think it's just a political fact of life. So we've got to keep helping other people get better. And there's a bit of a fatigue in the community, I've noticed, in the community such as it is that thinks about poverty and security and these sorts of issues, and it's a community that I admire for trying to define itself, because it's not one that naturally fits within the armed services side of the world or the foreign assistance side. You are creating a new kind of community. But there's also, I think, a little bit of fatigue in our community that we know some of these programs aren't working as well as they could for some of the reasons I mentioned.

And frankly, let's be blunt, there's a problem among some democrats not to want to acknowledge how much Bush has done that's good in this area. And it was a great Clinton area, and it's a great Bush acceleration of that idea, and I think we should all pat ourselves on the back instead of both being a little bit nervous about giving the other side any credit. And so that's just one more problem with polarization, a very concrete example of where it prevents a broader community from actually saying, we've got a good thing going here, let's increase it and let's build on it, rather than see it gradually atrophy as budget constraints whittle down the number each year. Okay, so that's one program I wanted to put on the table.

A second one, I'm far less qualified to discuss than my current boss, Carlos Pascual or Gordon or some of the others around this table, which is the whole notion of more capability at the State Department to be another complimentary tool in stabilization and reconstruction. And it's actually a very -- once you decide we should do more, which most people tend to agree on, you know, people of the type sitting in this sort of a room, if you'll forgive the categorization, once you agree that we should do more than this, the next question is actually pretty hard, which is, well, what do you do exactly. Carlos did a nice interview in Joint Forces Quarterly (phonetic) where he laid out his own vision and what he would have liked to do if he had stayed in the Office of Stabilization and Reconstruction, which was not asking for the moon.

He didn't want 50,000 people in the Carlos Pascual stabilization deployment force; he wanted about 300 in the broader -- in the permanent staff, plus or minus, and again, there's room for discussion on the specifics and debate about the specifics, and then he wanted to create a large reserve corps of policemen and reconstruction specialists and people who, in some cases, probably had the background of Bob Polk, but also maybe the new interest of Bob Polk, and trying to bridge these worlds, people who could go out and work on the civilian sides of security, legal experts, et cetera, in complex operations, in difficult, dangerous environments.

And it's a pretty compelling vision, it's one that realizable, the total cost is maybe \$500 million a year, in contrast to the \$125 million that was appropriated for fiscal year 2006. In other words, you're not asking for the moon, and in an era where we're spending that much money in Iraq almost every day or maybe every, what, day and a half right now, \$500 million, it's not out of this world to think about what would be appropriate. This is not going to solve all of our problems. If you had this capability that Carlos would recommend, and others here may have some with different views, it's not going to mean that the next Iraq mission goes swimmingly.

And there's -- I'm glad, Bob, you put that provocative thought on the table. Maybe we just should realize that we can do regime change and we can't do stabilization, at least in some of these messier political environments with complex and negative views of the United States and the western world more generally. It may just be the case that we can only, you know, or maybe you should think in terms of the law of averages. And if you look at all the peace keeping missions the world has attempted since the Cold War ended, you sort of get about half of them, more or less, at a passable level, you know.

Cambodia turned out okay, not because Hun Send (phonetic) is such a great guy, not because we had such incredibly great capacity at that moment, but you know, things worked in such a way, the timing, the legacy of where Cambodia was, a few key decisions, a little bit of luck, and that one work. Haiti didn't work. Does that mean we're worse in what we try to do in Haiti and that we're performing worse than people performed ten years before in Cambodia? I don't know, maybe, but maybe it's just the law of averages, and we've just got to accept it. And these missions, when you go in and guarantee success, you're over promising. And you can do something as long as you are prepared to accept one defeat for every one victory, more or less, speaking crudely and simplistically, as you all appreciate.

But anyway, I think Carlos has a pretty compelling vision. And again, it's sort of in the same neighborhood of cost as the first one I put on the table, which is a much expanded capacity creation program for peace keeping and stabilization among the world's militaries.

The militaries of the developing world, largely in Africa, counties of the

particularly impoverished variety who don't have the budgets of India or Bangladesh or Pakistan, because these are the relatively wealthy peace keepers by comparison. They don't necessarily need the capacity creation. They may need help when they deploy, and they certainly expect the U.N. reimbursement for their deployment, but they don't necessarily need capacity creation per se. They probably could benefit from some things. But anyway, I'm talking more about the -- most of the states in Africa, for example.

The third piece of the puzzle, and now I'm getting into Lael's province, so I'm just going to be very quick here. And those of you who specialize in development more broadly, and this is where I will end on a note that's a little more similar to the way John and Bob began, which is the broader way of looking at our foreign policy obligations. I once heard Senator Bill Bradley make a very eloquent response to what George -- this was in 2003, to what George Bush had done in the war on terror in response to 911, and the way in which he had done some things well and other things not so well, and Bradley said, you need a vision that people can understand and believe in from the streets of Deli, to the internet cafes of Tokyo, to the factories of Shanghai, you need a broad vision that makes the world think that America's agenda is their agenda.

And I don't think that rules out overthrowing the Taliban, I'm not even sure it rules out overthrowing Sadam, but it does require more than a democracy promotion message, which as much as I admire that, I think we should, generally speaking, give President Bush credit for that second inaugural message, is still only a piece of the broader vision we need.

And what I'm suggesting here, to put it in very concrete terms, one of the ways you can do this and one of the -- I think the big mistakes of George Bush's presidency, which even with his world view, he should have personally been willing to do, it made good sense, it was consistent with some other things he was doing, and he blew it, was a chance to, last year, play into Tony Blair's Year of Africa GA Agenda and the millennium development goals and find a way to make them part of his counter terror agenda, as well, and he could maybe use the rhetoric of the millennium development goals and of aid to development, but also be thinking at the same time, when you stabilize failed states, when you stabilize states in trouble, you're actually helping your long term counter terror agenda, because you're depriving Al Qaeda of future sanctuaries, you're reaching out to much of the Islamic world to help them build up internal capacity, to have stronger economies, involve more of their citizenry in their economies and in sort of a future of hope, and it would have been a very smart way to, I think, compliment his use of force in Iraq and Afghanistan, as well as his very top level, but very theoretical democracy promotion agenda.

So I think this is a third piece that really -- and my own personal favorite of how to do this is to really push the education piece of the millennium development goals. But I'm not sure we need to pick and choose. I'll just simply put on the table with you that rather than having an ongoing debate on the counter terror community about whether madrasas (phonetic) are the cause of terrorism or not, and we sort of played that debate out long enough, why don't we just help countries improve their education regardless.

And I think we can generally agree that in most cases, it's going to help them create more economic opportunity, more societal strength, and over time, it should reduce the proclivity of many of their citizens to go in extremist directions. So that's one more piece. And, you know, you know the cost of that sort of agenda better than I, but in broad terms, and Lael and others can correct me as I finish here, I think of it as broadly a \$15 to \$20 billion a year global commitment to do the millennium development goals correctly for the education sector, which means a \$3 to \$4 billion a year U.S. contribution. And so I'll leave you with those three thoughts and look forward to the

conversation. Thanks.

DR. HAMRE: Michael, thank you, thanks to both you and Bob for very stimulating presentations. I'm going to turn it over to all of you folks for your shot at them, but I can't resist opening it up, if I may. I'd like to, if I could, forgive me to take just a little bit, to start by framing something I experienced, to set up a question I want to ask you.

When I first went over to the Defense Department in '93, I had gotten there after Les Aspen had kicked off a very large set of initiatives, hoping to make the Department of Defense more proactive in, you know, and responsive, you know, conflict prevention and other things, and one of the things that he was after was, you know, a contingency fund, \$300 million contingency fund, you know, that could be used, you know, to quickly move in anticipation when he saw things deteriorating, and wanted to do more with the department as trainers and other things. Well, this mightily offended the State Department, and so they set about undermining this initiative up on Capitol Hill. And, of course, it didn't, you know, Les Aspens' own politics up on Capitol Hill were pretty tough, you know, especially Somalia, you remember, and so he was not in a great position to help when he got in trouble, and so the whole thing just became a cropper.

Now, as part of that, the State Department's agitation with a senior democrat on the Appropriations Committee led to IMED (phonetic) funding being hosed up for a couple of years, and that's funding that's in the Department of Defense for military training, you know, DOD is interested in it, so I decided, well, what the hell, so I put a provision in the legislative proposal that DOD take over IMED, and of course, that was waving a red flag at a bull, you know.

And I got a phone call from Sonny Callahan, who at the time, Sonny was -- you all remember Sonny, we had three Sonny's in the house, Sonny Bono, Sonny Callahan,

and Sonny Montgomery. Sonny Callahan was this old southern, from Alabama, I think, and had the Appropriations Committee, typical of an old southern appropriator, kind of cynical, hard bitten, you know, wanted to help, didn't want to help, you know, and I bet with him, and finally he said, look son, if I let you take away IMED, I can't get the republicans to vote for my bill, and that was a very interesting comment.

And I think he was serious, in the sense that there was so little support for foreign assistance that a lot of republicans held their nose and voted for it because they said they were voting for the military part of the bill. It was only \$45 million, it was peanuts, but it was what they could hide behind. And it was, in my mind, a microcosm of what we're experiencing right now, which is that republicans will vote for foreign aid if it's to fight terrorism, and democrats will support foreign aid only if it goes for the old bureaucracy that lives around foreign aid.

Now, that's a little harsh, but it's not -- it's a little harsh, but it is not completely untrue. And so my question to you guys is, how do we find a center consensus in the middle now? I mean we've got pretty radicalized political points of view when it comes to foreign assistance, and especially the role of security assistance. And, you know, it's very hard to put together an integrated national strategy if the two parties don't agree with each other at all on first principals. So, Bob, you start, and then we'll turn to you, Mike.

MR. POLK: Well, I was interested in listening to today's comments about whether or not the American people have a role in this. I had hoped that the answer to that was, yes. Would it be possible, then, for the American public to put pressure on the change agents in this town? You know, when I started this, I tried to go at it that way as one of my core values of the project, and some folks said to me, that's a pie in the sky, there's no way you're going to get that, you know, a ground swell, a grassroots movement. But I think Charlie was right to ask whether that even mattered. In fact, the answer that I got from my close associates was that it probably doesn't in the short term, and so what you need to do is target the discussion on change agents on the inside, and then those agents on the outside who can put pressure on the change agents on the inside, and that's probably a series of elites as opposed to a grassroots movement.

But I wanted to ask the question earlier of -- and I open it up to anybody, is politics still essentially local? I've not been in this town enough to know the answer to that question. I've not worked on the Hill. I would like to say, in answer to John's question, is this the way to force change to make it an issue of the public trust, make the public care about how their treasure is spent. And the question I also have is, are we at that turning point?

I think Lael and others have said in their documents that it's taken catalysts, World War II, Vietnam, 911, to move the psychosis of the American people towards putting pressure on change agents. Have we here today made the case that we are at such a catalytic moment in time? Without that, I really do wonder if real radical reforms, bold shifts, as was asked for earlier, that would stir the hearts and minds of all of us in this town and outside the beltway, would be possible. I have a number of good friends who know how to lobby, and they hit the folks in the Congress locally. They do have grassroots campaigns to get on particular issues. Jim Locker, of course, with his Goldwater-Nichols experience realizes he's up against, you know, a lion compared to the mouse he was last time, and that was a pretty big mouse in the DOD.

This is huge stuff. I really believe that the answer to John's question lies in the philosophies and the values and the vision thing. We can talk about structure later. So if we go to people and say, well, I will put IMET here or here, then you're missing the real discussion point. The value of the real discussion really lies somewhere much subterranean to that the immediate structural or organizational question. What's the real

reason, what's the real problem?

Is it, for example, that we have an imbalance in our foreign policy? Is it, for example, we've got an issue of image in the world and we're not happy with that? You know, let's talk about those things so we have a vision first, and then we can say, well, how would we want to structure things, would we want a State Department the way it is, would we want a Department of Defense the way it is, and then we'll descend from there down into the IMET questions of the day.

But I don't think we've yet had that kind of discourse at the level that you need to. You just pick your metaphor, either up here as a capstone set of conversations, or down here as a foundational set of conversations, pick your metaphor. I believe that's where reform needs to start. And I want to plug one more thing; when I said that we in the Orange Team Project want to do a study, that is a horrible thing to say in this town, because it's like, well, we've already done that. I mean Rick, Michele and others have done great work at CSIS, and Lael and your team, I can't wait to read the rest of your work. One of the things we believe, though, is that the reason why a lot of great work has not yet resulted in change is because, when you go to the audience, the intended audience, the change agents, they have their own mental mind map of what's important, and unless you address their value systems on their level or raise them to yours, they're going to react rather than absorb. I don't know if that's skirting the answer or if it's worthwhile, but that's --

DR. HAMRE: Michael.

MR. O'HANLON: Just a quick thought in terms of building political consensus. We're obviously going to have a rough and tumble next four or five months on politics in this country and there's no way getting around that. But once we've gotten through November, I think it's very important for democrats and republicans to work hard with George Bush to get foreign aid numbers up even higher while he is still defining his legacy in office. He is one part of a, for those of us who are democrats and have been frustrated with the difficulty of working with republicans, to be blunt, on foreign aid in the '90's, he is part of a new movement in republican circles.

And other people here may understand this better, want to speak for their own party, what have you, but I've been struck at how many evangelicals and others have thought differently about the developing world in the last few years and gotten more interested, and in some cases, shown more intensity than traditional parts of the aid community on certain particular questions.

And George Bush, I think, is actually going to be wanting to define a legacy, and guess what, at some point, it's going to be hard for him to convince even himself that Iraq is the positive legacy he's going to want. It's just not going that well, and we're going to do fine, if we can just get out of there okay with the country not falling apart, that's going to be, I think, the definition of success at some point.

Whether you agree with me or not, he's got to want to have other things that he has left as his legacy in foreign policy. Democracy promotion represents an idealistic way to do it. He was more idealistic in 2004 in the campaign than the democratic candidate in terms of what he talked about and his vision, and that means there's something there to tap into and work with, despite the fact that most democrats don't like to do it. So I think once we get through this fall election, let's try to actually boost some of these programs up in those two years, instead of immediately campaigning on them for 2008, that's from the point of view of democrats. From the point of view of republicans, I hope that some of the thinking of the George Bush's, of the evangelicals, of the Sam Brownbacks and many others continues, it's admirable, I applaud it, and I think there's a real basis there to build some programs that work.

One point, and I'll wrap up on this, is that -- and by the way, we should call the next Foreign Authorization Act the George W. Bush Foreign Authorization Act to reinforce this, just as the National Missile Defense System that's now active in California and Alaska should be the Bill Clinton National Missile Defense System, just to poke a little bit at each party for fun, and also build consensus for, I think, programs that have a useful center in both cases.

But I think in foreign aid, there's a lot that's been proven about when it works and when it works relatively well and when it doesn't work as well. And we should continue as a community to get that word out, because most people still think it's throwing away money, and sometimes it's true, it is, and other times, you know, that's why I -- one last point, I'm sorry. The millennium development -- the millennium challenge account, whether it has its problems or not, its limits or not, it's a good idea overall. A very hard thing for democrats to say, but I just said it took a little bit of, you know, looking in the mirror and practicing this morning, but it's a good idea because aid doesn't work if you give it to the wrong recipients, except for basic human needs and relief, and it does help people statistically and historically, if they have good government policies in place.

So the basic thought there is a good one, and we should build on that, as well as some of the other things for other countries that don't qualify, and the next two years are going to be crucial for getting these numbers up before the next president and next Congress, probably (tape interruption) again, and the idea of proposing any increase in any foreign aid program is going to be just as tough of a thing as it was when John talked to Sonny Callahan.

MS. BRAINARD: I will turn my question into a comment so we can wrap up,

and I think we've been kind of in and around this issue. You know, as people on the civilian side look to this incredibly difficult task of convincing legislators, other people to take on foreign assistance reform, the hope was that at this juncture, we might have some support from the military side, that an over stretched military would want to shed these functions, and that that would be a much more compelling message on Capitol Hill.

But what we hear are mixed things. I mean I think Bob Polk's description of where the military are going with their joint operations concept does actually expand their footprint in this area quite considerable. And we heard earlier from Paul Clayman about the policing functions and moving over to the military with the president's approval and DOD's enthusiastic involvement, and so I think going forward, you know, that's -- a question mark is to what extent will there be a set of military officials, people on the defense committees that will actually actively support more consistency and power and effectiveness on the civilian side.

DR. HAMRE: You know, I think we were supposed to wrap up before now, and so peoples' patience for a long closing statement here would be unwelcome, I'm sure, so I'm not going to do that. I would like to, if I may, make kind of an observation. It's unfair for me to close up a conference that I only attended the last piece of it, so that's not right.

But I would like to say one thing, if I may, and that is, and I usually make this observation to businessmen, to have them -- to try to help them understand what we're trying to do here in town, so this analogy may not mean as much to those of you that have not been in the world of business before.

But what we're really after in our national strategy is what the business world calls pricing power. Pricing power is when you have a product that is so compelling and so attractive that you can charge anything you want and people will still pay it. It's detached from the cost to make it, it's because people want it so much, and that's what a preas (phonetic) is. I mean people want a preas so much, they're willing to pay \$3,000 -- \$4,000 premium because they want a preas. What we should be striving for is pricing power for our national power. It's not a power that's based on inputs into the military, it's the compelling vision of our society, it's the grandeur of our purposes as a country in the world, it is the sense that one time people had about us that we were a great power that valued other peoples interest as much as our own. We were going to do well in America because we helped foster a world that was favorable to our values, but at the core, it was helping other people. I mean we had this astounding pricing power advantage during the 1950's and the 1960's, because the world saw a protective and benevolent America that was prepared to do things at its own expense, yes, it benefited from it, but so did the world.

Now what we have is, we've had, largely because of -- well, two things, I think, three things, I think the misunderstanding of why we won the Cold War, thinking it was because we were virtuous, you know. Add to that the, frankly, the arrogance of our civil society that values consumption above all things, and then turbo charge it with paranoia in 911, then you come up with an America now that seems not to see how offensive it is to the world that we want to have a Guantanamo, or that we will tolerate a Abugrob (phonetic) that we think that we can order the world through military might, and this is the most expensive way to sustain your power, and completely opposite of this pricing power modality, where you're trying to maintain your global power at the least cost, not the most cost. And so the way that we regained our bearing here is to go back to first principals. It's America's compelling moral authority in the world that will be our enduring base of power, not the biggest defense budget. And we spend far too much preoccupation with military might, as though it represents the basis for our durable

power.

So you start by saying where are we, and then you have to put and shine a bright light on the arcane and decrepit state of our -- of all the tools and projects and programs of our soft power, and it's a disturbing picture, it is highly articulated, and I mean that in an engineering sense, 50 and 60 different offices, you know, doing things, no central direction or coordination, and no consensus in the country about why we're doing it.

So this is, I think, now, truly a giant issue for us to get our arms around. And it isn't just being touchy feely, you know, liberals trying to do good in the world, this is hard core, this is what advances America in the world and makes us all safer, but it's by recovering a sophisticated and agile and responsive framework for our soft power, and I say that collectively, for a whole range of things, foreign assistance, humanitarian assistance, foreign military assistance, public diplomacy, the use of international organizations, I mean all wrapped into one now. If we stay on the path we're in, we're going to become a lonely and frightened super power, and hell, that's where we already are, it's just going to get worse. So what you all are doing, and Lael, again, thank you for being way ahead of everybody else, way ahead of me, I mean I'm starting to think about these things now, is really to recover the sense of what it really is going to take if we want to retain the strength and durability of this American super power base. It is not going to be off of just putting more money into my old constituency, to be candid.

Anyway, you've heard enough of little soap box. I apologize for putting you all through it here at the end. I really want to thank everybody for this. It's been a fascinating discussion, and I really am grateful for our two presenters, because Bob and Michael, you're both always very interesting, provocative people to listen to. I thank the questioners that were here, and I thank all of you for being here at this late date. At the end of a long day, it's -- I value those that have the passion that want to stay until the last hour, the last minute, the last meeting, thanks, glad you were here.

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