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## **Strategic Leadership:**

*Framework for a 21st Century National Security Strategy*

By Anne-Marie Slaughter, Bruce W. Jentleson, Ivo H. Daalder  
Antony J. Blinken, Lael Brainard, Kurt M. Campbell,  
Michael A. McFaul, James C. O'Brien, Gayle E. Smith and  
James B. Steinberg



**Center for a  
New American  
Security**

## **About the Phoenix Initiative**

*The Phoenix Initiative is a collective effort to provide an intellectual and policy framework for the next administration. The group initially came together three years ago to discuss on a regular basis the state of the world, America's place in it, and the best ways for advancing America's interest and values. Our goal was to develop ideas and concepts that made sense from a policy — as opposed to a political — perspective and to make the case for them on that basis alone. That is also the basis of this first report — a manifesto meant to marshal the best practices and ideas of the progressive tradition in U.S. foreign policy and adapt them to a rapidly changing world.*

## **Acknowledgements**

Our meetings would not have been possible without the hospitality of FoxKiser — particularly Buz Waitzkin, a partner in the firm, and Wanda Dawkins, administrative professional par excellence — at whose office we met and where we devoured many pounds of the best cookies, bagels, and fruit that Washington has to offer. The Center for a New American Security (CNAS) took on the task of publishing the final report, and organized its launch in Washington. We are grateful to everyone at the Center, not least its directing staff and especially to Whitney Parker who saw this through from beginning to end.

### **Cover Image**

Global Communication

Emrah Turudu/istockphoto © 2008

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## P R E F A C E

As one of the founders of the original Phoenix Initiative in early 2005, I felt strongly that it was time for a group of younger foreign policy thinkers to come together and work through common positions not only on a set of specific issues, but also on how America should define and pursue its interests in a post-Cold War world, a world still resistant to tidy categorization. The point was not to write a paper in support of a specific candidate or for a specific occasion or political purpose, but instead to consider a fresh strategic perspective. I regret that my responsibilities as a Senior Advisor to the Obama campaign prevented me from seeing this project to fruition.

*Strategic Leadership: Framework for a 21st Century National Security Strategy* is the product of over three years of discussions and debate on everything from fundamental assumptions about the nature of the international order in the 21st century to U.S. policy toward the Middle East. At a time when the United States truly must rise from the ashes of a failed foreign policy, this report breaks away from such traditional concepts as containment, engagement, and enlargement and rejects standard dichotomies of realist power politics versus liberal idealism. It starts from a set of U.S. national interests as old as the nation itself and asks how we can safeguard and pursue those interests in this 21st century world. Without pretense of answering all questions and addressing all issues, the report offers bold and genuinely new thinking about America's role in such a world.

From this foundation, the thinkers and practitioners in the Phoenix Initiative have developed a different conception of American leadership. They accept that regardless of who is elected in November, the clock will not magically turn back to 1991, after the fall of the Soviet Union, or even back to September 12, 2001, when the world mourned with us. They see opportunities as well as challenges in the deep and unavoidable interconnectedness of our age, the rise of countries on every continent as emerging powers, and the broadening of the global agenda.

In this world, America has many more potential allies and friends, indispensable partners in tackling problems of common security. There is no illusion that international cooperation is easy. It is, though, essential to our own security as well as to international peace and prosperity. We must recognize that the world has not stood still over the past decade, waiting for America to reclaim the mantle of global leadership. Our ability to lead requires the kind of leadership—strategic leadership—laid out in this report.

Susan E. Rice  
*Senior Fellow, The Brookings Institution (on leave)*





*"The Phoenix flies ahead to the front, always scanning the landscape and distant space. It represents our capacity for vision, for collecting sensory information about our environment and the events unfolding within it."*

—The Feng Shui Handbook



## EXECUTIVE SUMMARY

**T**he next president of the United States must forge a new national security strategy in a world marked by enormous tumult and change and at a time when America's international standing and strategic position are at an historic nadir. Many of our allies question our motives and methods; our enemies doubt American rhetoric and resolve. Now, more than at any time since the late 1940s, it is vital to chart a new direction for America's global role.

Our core goals today are the same ones envisaged by our founding fathers: the resolute pursuit of security, liberty, and prosperity both for our own people and as the basis for a just and stable international order. The challenge is to advance these goals in a new global landscape. The 21st century is an era of deep interconnectedness, creating unparalleled opportunities but also great dangers from which no nation can be immune. It is also an era of increasingly diffuse power, spreading to many different states and from states to non-state actors of many different kinds. America is well equipped by geography, demography, and national temperament and values to flourish in this environment. But to do so will require a new kind of American leadership: strategic leadership.

Strategic leadership requires making wise and deliberate choices about how, when, and with whom to lead. While America remains the single most powerful country in the world today, it cannot take global leadership for granted, nor can it revert to what worked in previous eras. Both the scope and the limits of American power must be taken into account. Moreover, leadership is not an entitlement; it has to be earned and sustained. Leadership that serves common goals is the best way to inspire the many different peoples of the world to make shared commitments.

The United States must lead primarily when our interests most warrant it and when we are most able to achieve the objectives at hand. Despite the prevalent presumption that America must always be in charge, effective leadership is not always centered in Washington. At times, our interests are best served when others lead with us, or even take our place at the helm. Climate change could be an example of shared leadership; regional peacekeeping efforts will likely offer opportunities for other nations to lead. A doctrine of strategic leadership seeks effective action rather than American leadership for its own sake. It exercises judgment as much as resolve.

America's longstanding allies will continue to be our most valued partners, along with key global and regional institutions. On many issues, however, the United States must be pragmatic and flexible enough to work with a wide variety of states on different issues. Whether they are old allies or new potential partners, we should engage with others, seeking to surface differences of opinion and new insights before views have hardened. And while being clear on its own red lines, Washington should be willing to adapt its positions to gain the consensus ultimately needed for constructive policy making and implementation.

Operationally, strategic leadership has five principal requisites: exercising strong statecraft, ensuring 21st century military strength, enhancing prosperity and development, encouraging democracy and human rights, and energizing America at home. It also means setting priorities. From the first day the next administration takes office, it will be pressured from many directions on many different issues. Given the press of events and the breadth of the agenda, three principal criteria should guide initial priorities: the urgency of the issue; its importance to American security and to the world at large; and the transformational potential of successful policy outcomes. Applying these criteria yields five initial strategic priorities:

- **COUNTERTERRORISM:** The United States must revamp its counterterrorism strategy to place highest priority on preventing catastrophic terrorism, including a comprehensive review of homeland security policy and organization. It must integrate military, diplomatic, political, economic and other instruments of power and influence; adapt military strategy to better fit counterterrorism missions; and ensure consistency with the rule of law and fundamental American principles.
- **NUCLEAR NONPROLIFERATION:** The United States must reaffirm the vision of a world free of nuclear weapons and take practical steps to reduce the salience of these weapons. We should start by reducing nuclear force levels to 1,000 weapons, provided Russia does likewise.
- **CLIMATE CHANGE AND OIL DEPENDENCE:** The United States must envision a low-carbon world and persuade other nations to join in deciding on and taking early actions that will make it a reality. Climate change affects the security of every person and nation on the planet, which is why we must work with others to dramatically reduce greenhouse gas emissions and change current patterns of energy consumption. At the same time, we must spark innovation across a wide array of new technologies, spurring competitiveness and progressively reducing oil dependence at home.
- **THE MIDDLE EAST:** The United States must develop a comprehensive, integrated regional strategy that includes drawing down militarily and building up diplomatically in Iraq; pursuing dual-track deterrence and engagement with Iran; taking a high-level and sustained role in Israeli-Palestinian peace efforts; and promoting regional security cooperation and democratic reform.
- **EAST ASIA:** The United States must renew its commitment to comprehensive engagement in Asia. We must maximize the prospects that China and India will rise as open, vibrant markets and stable rights-regarding governments, while also reassuring long-standing friends and allies of U.S. security commitments and willingness to cooperate on issues of concern throughout the region.

Our founders believed that they were creating a nation that would secure life, liberty, and prosperity for all Americans. At the same time, our nation would also stand together with all other



people against tyranny, inequality, and injustice. At its best, America has pursued its interests in ways that further those global human interests. It has sought partners and helped build institutions to strengthen the ability of all nations to tackle common problems. And it has been willing to strengthen other nations and help them regain their power and prosperity as members of a spreading zone of liberty and peace.

America can and must do so again. Strategic leadership provides a framework for a national security strategy that meets the demands and needs of our current century. Such leadership recognizes that in an interconnected world the best way to secure our own interests is to understand and help secure the interests of others. It understands that in a world in which power has diffused, leadership can mean convening, listening and brokering agreements as well as seizing the initiative and expecting others to follow.



**T**he next president of the United States must forge a new national security strategy in a world marked by enormous tumult and change at a time when America's international standing and strategic position are at an historic nadir. Many of our allies question our motives and methods; our enemies doubt American rhetoric and resolve. Now, more than at any time since the late 1940s, it is vital to chart a new direction for America's global role.

The United States' core goals today are the same ones envisaged by our founding fathers: the resolute pursuit of security, liberty, and prosperity both for our own people and as the basis for a just and stable international order. The challenge is to advance these goals in the global landscape of the 21st century. A new administration must be clear eyed about the world as it is without losing sight of the world as America wants it to be. And it must blend best practices from the past with new approaches developed for a new century.

The task at hand is simultaneously to meet current threats and take advantage of current opportunities. The threats posed are a complex mix of new and enduring dangers, including terrorists with global reach, a rapidly warming planet, the spread of technologies capable of mass destruction, unsettled conflicts, the rise of new states and the weakness of others. America can neither wall itself off from these dangers nor resolve them on its own. At the same time, the world also offers unprecedented opportunities for harnessing the enormous potential for innovation, progress, and institution building—all in an effort to dramatically advance security, liberty, and prosperity for Americans and for the rest of the world.

Meeting these challenges requires strategic leadership: making wise and deliberate choices about how, when, and with whom to lead. While America remains the single most powerful country in the world today, it cannot take global leadership for granted, nor can it revert to what worked in previous eras. During the Cold War, the United States' leadership position among the countries of the free world was largely unchallenged and generally respected across the full range of international issues. Today, although much of the world believes that international peace and prosperity are most likely to be achieved if the United States plays a significant and constructive role, key actors on the international

stage will no longer simply defer to or automatically prefer what America wants. Strategic leadership means adapting the style and substance of our leadership to these 21st century realities in ways that are consistent with the best traditions of the United States' own history.

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*Strategic Leadership: Framework for a 21st Century National Security Strategy* provides an intellectual and policy blueprint for the next administration. This paper focuses on four foundational components of strategic leadership: the security environment in which the next administration will operate, the core goals it should seek to achieve, the overarching doctrine of strategic leadership, and a set of initial policy priorities for its first year in office. This is not a document of domination, denial, or disengagement, but rather a program of action meant to marshal the best practices and ideas of the progressive tradition in American foreign policy and adapt them to a rapidly changing world.

## A NEW SECURITY ENVIRONMENT

Americans today confront a world that is vastly different from that of the past in two main ways. The extent of global connection has fundamentally altered the environment in which Americans live, increasing the impact that foreign events and policies can have within U.S. borders. International matters intrude on domestic life on a daily basis, from the threat of terrorist attacks to reliance on products and services from around the globe. At the same time, power is diffusing, not only within but also among and beyond states, necessitating a shift in approaches to international challenges and opportunities. A successful national security strategy for the 21st century must be firmly grounded in these facts.

### An Interconnected World

The extent of the world's interconnectedness has been obvious in the economic realm for some time. But the same forces that make the flow of labor, capital, and goods across borders possible also enable the flow of ideas and information, germs and viruses, weapons and terrorists, pollution and greenhouse gases, and a whole lot more.

This growing degree of globalization brings both opportunities and risks for America, as it does for all countries. Some effects are positive. The opening of closed societies to new ideas and the transmission of technology have the potential to bring education and basic healthcare to some of the world's poorest societies. Growing interconnectedness has boosted economic growth, lifted hundreds of millions around the world out of grinding poverty and reduced child mortality rates. Globalization has opened up access to information and ideas, expanding people's horizons and empowering the oppressed to seek to advance democracy and respect for human rights. It has also created global grassroots networks mobilizing millions from all over the world in support

of common causes such as the banning of land-mines, stemming the scourge of HIV/AIDS, and cleaning up the environment. All of these positive developments contribute to American wellbeing and prosperity.

Yet, the world's increasing connectedness has also created new vulnerabilities for Americans that have long been felt by citizens in many poorer countries. The United States no longer confronts threats just in faraway places such as Africa, Asia, or the Middle East, but also on its own soil. The threat of terrorism, as the September 11 attacks underscored with deadly effect, is one obvious manifestation of the United States' newfound vulnerability. The U.S. economy must adjust to rapid and sweeping economic changes and a new hypercompetitive global marketplace in which no country or industry is immune to challenges from foreign competitors. Virulent diseases can emerge almost anywhere on earth and rapidly reach America's heartland, as the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003 did in Canada. Catastrophic changes in climate could threaten U.S. agriculture, coastal cities, and the economy and society as a whole. Computer hackers could shut down electricity supplies, disable floodgates in hydroelectric dams, disrupt financial markets, cripple oil refineries, or cause major damage to computer networks.

This array of transnational opportunities, threats, and challenges makes this new global era profoundly different from the past, in ways that are especially unsettling to many Americans. For most of our history, geography and circumstance combined substantially to protect us from foreign dangers. No more. The new threats are global and multifaceted, and, unlike the threats of the past, they are neither geographically centered nor limited to hostile governments.

### **A World of Diffuse Power**

A second dimension of this new national security environment is the diffusion of power within, between, and beyond states. When using traditional metrics of military might, the United States remains by far the most powerful country on earth—an asymmetry that will continue for decades. Yet that power, overwhelming as it is, is ill suited for confronting many of the new challenges of the global age on its own.

This global diffusion of power has been taking place at different levels and in different ways. While U.S. military power remains dominant, economic power is distributed ever more widely

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across the globe—and never more so than during the past decade. A united Europe now stands on a par with the United States in terms of economic capacity and weight. A rapidly developing China is quickly emerging as another major economic power. India is knocking at the door as Japan begins to rebound. The terms of the global economy, long dictated by America, are increasingly becoming a matter in which other voices carry relatively greater weight.



The power and influence of others has been increasing as a result of transformative forces shaping the current era. In the wake of colonialism and the Cold War, many nations are becoming more assertive of their own interests and identities. China's staggering growth and its burgeoning demands for resources and markets are redrawing the economic map throughout Africa, Asia, and the Americas, establishing new alignments, partnerships, and engagements. Russia, awash in oil and gas revenues, has challenged U.S. interests on a broad range of fronts: in the post-Soviet neighborhood, in the energy sector, on arms sales and with respect to nuclear nonproliferation efforts in the Middle East. Record-breaking energy prices are fueling irresponsible behavior by the leaders of Iran and Venezuela while channeling enormous purchasing power to regimes in the Persian Gulf.

A stronger and more unified Europe has begun to chart a new international course using the rule of law and economic incentives rather than diplomatic isolation or military force. Rising regional powers such as Brazil, India, and South Africa have resisted U.S. entreaties on nuclear nonproliferation and trade and are challenging America directly on climate change and the governance of international institutions. Brazil, Russia, China, India, and South Africa are increasingly unhappy about being excluded from global governance mechanisms such as the G8, to the point that some influential voices are calling for the creation of a G5 of their own.

Power is diffusing to the private sector and civil society as well. As a result of rapid global communications technology and transportation, alliances can form not only among states but also among individuals, groups, and societies. National corporations become global corporations as they create vast global supply chains and distribution

networks. National activist groups and civic organizations become global human rights, environmental, and humanitarian nongovernmental organizations (NGOs) capable of spurring national governments into action and holding them accountable when they fail to comply with international obligations. National criminal organizations such as those of terrorists, arms dealers, drug runners, money launderers, intellectual pirates, and human traffickers become global criminal networks. All of these new power centers challenge the ability of sovereign governments to control not only what happens within their borders but also what crosses their borders.

Recent American foreign policy has failed to take adequate account of this diffusion of power between and within states—or the extent to which our fate is increasingly connected to what happens far away from home. The challenge for the next U.S. president will be to adapt America's national security strategy to the distinctive realities of the 21st century. Only by recognizing the way the world is, not how it used to be or how we might like it to be, can we get a sense of the requisites of strategic leadership.

## SECURITY, LIBERTY, PROSPERITY

Strategic leadership requires clarity about goals. Those goals are to preserve and advance the security, liberty, and prosperity of all Americans. The next administration must pursue a national security strategy that strives to achieve these goals in this 21st-century world.

The most important and solemn responsibility of any president is to ensure the security of Americans at home and abroad. The United States must invest in the capacity to prevent any threat (be it human or natural) to the wellbeing and safety of Americans, to mitigate consequences if such a threat does occur, and to recover rapidly from any major damage. America must also continue to be a robust provider of security in the world, bolstering the peace and safety of its allies and partners, enhancing international stability more broadly, and pursuing the peaceful resolution of conflicts around the world. Providing security abroad protects Americans at home. The United States cannot disengage from the rest of the world and expect that menacing states, anti-American social movements, terrorists, infectious diseases, or the myriad of other threats beyond U.S. borders will leave our country alone.

In the American tradition, security goes hand in hand with liberty—for Americans and for all peoples. Standing for liberty in the world has meant standing against tyranny and oppression when it menaces us directly and indirectly. Standing for the same values abroad that we strive to achieve at home has also been an essential part of America's national identity as well as a key source of our power. Democracy is an instrument to secure liberty; it cannot serve that purpose when exported through the barrel of a gun. Neither can support for democracy be the only guide to U.S. action. Overall, however, consistency serves us better than opportunism.

And a principled basis for actions consistent with international norms and U.S. values enhances the legitimacy of American actions and expands our power and influence.

Prosperity today depends on continuing economic globalization, which has allowed hundreds of millions of people around the world to begin to prosper. The United States needs to secure its own citizens' share in that prosperity while also ensuring a broader distribution of benefits globally. Rather than accepting a world of economic winners and losers, America must work to widen the circle of winners at home and abroad. Widening this circle of winners requires adapting and strengthening international institutions and policies that sustain global economic growth, while ensuring environmental sustainability and cushioning against shocks. It also means building the social, educational, and economic infrastructure at home to better equip the vast majority of Americans to adapt to and benefit from the globalized economy.

In the most fundamental sense, security, liberty, and prosperity are the same core goals that America's founders envisioned back in the 18th century and that America's leaders pursued through the 19th and 20th centuries. At times these goals were achievable through isolation and limited engagement, at other times through the exercise of preponderant American power. In a 21st-century world of extensive interconnectedness and widely diffused power, Americans are inherently less able to ensure their own security, liberty, and prosperity without engaging in the world in ways that take the security, liberty, and prosperity of others fully into account. That is precisely why the United States needs a doctrine of strategic leadership.

## A DOCTRINE OF STRATEGIC LEADERSHIP

Strategic leadership requires knowing how, when, and with whom America needs to lead. Leading strategically begins with grasping the scope and limits of American power. The United States remains the most powerful country in the world, and much of the world still does believe that international peace and prosperity are most likely to be achieved if the United States plays a significant and constructive role. That does not mean, however, that America can take global leadership for granted. Leadership is not an entitlement; it has to be earned and sustained.

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The success of American leadership during the Cold War resulted in large part from the United States pursuing its national interests in ways that promoted the interests of many other countries at the same time, such as through the commitments to the North Atlantic Treaty Organization (NATO) and other alliances, the creation of global and regional institutions, and support for an open international economy. This has been much less true in the current administration. The next administration must demonstrate a commitment to using American power and position for mutual benefit in word and in deed. Leadership that serves common goals is the best way to inspire the many different peoples of the world to make shared commitments.

The United States must exert its leadership primarily when its interests most warrant it and when we are most able to achieve the objectives at hand. Despite the prevalent presumption that America must always be in charge, effective leadership is not always centered in Washington. At times, U.S. interests are well served by others leading with, or even instead of, America. Climate change could be one example; regional peace-keeping efforts are another. A doctrine of strategic leadership seeks effective action rather than American leadership for its own sake. It exercises judgment as much as resolve.

America’s longstanding allies will continue to be its most valued partners, along with key global and regional institutions. On many issues, however, the United States must be pragmatic and flexible enough to work with a wide variety of states on different issues. An approach that uses “coalitions of the willing” to undermine existing alliances sacrifices our long term security for short term expediency. Yet, in some cases, we will need to develop ad hoc groupings of those with common interests and capability to effect positive change. Whether they be old allies or new potential partners, the United States should engage with others, seeking to surface differences of opinion and new insights before views have hardened. And while being clear on its own red lines, Washington should be willing to adapt its positions to gain the consensus ultimately needed for constructive policy making and implementation.

Operationalizing the doctrine of strategic leadership requires exercising strong statecraft, ensuring 21st century military strength, enhancing prosperity and development, encouraging democracy and human rights, and energizing America at home.

### Exercising Strong Statecraft

Strategic leadership relies heavily on statecraft as both an alternative and a complement to military force. Although diplomacy has its limitations, U.S. strategic interests are often best served by deftly tapping its potential for enhancing security, reducing tensions, resolving conflicts, achieving peace, and transforming adversarial relationships. An array of instruments and strategies can be drawn on for a combination of leverage, linkage, trust building, and mutual compromise that best fits the issue and parties at hand. Official and unofficial tracks, direct and indirect negotiations, third-party intermediaries and track twos can all be creatively used. In these and other respects diplomacy is just as essential to strategy as are military operations; both capacities must be kept strong and supple.

An especially crucial diplomatic challenge is ensuring that the geopolitical transition currently underway among the major powers will be stable and peaceful. While competition and conflict exist and will continue, integration and cooperation are potentially more in the national interest of more states—existing powers, rising powers, emerging powers and others—than in prior historical eras. Whether this potential is reached is not just a matter of American policy: other powers around the world have their priorities and politics. But as the world’s most powerful nation, the United States can help shape the strategic environment in ways that create incentives for others to contribute constructively toward and take responsibility for building a peaceful and prosperous world.

American diplomacy can help the United Nations (UN) and other international institutions contribute more to the solution of global problems. It may also be necessary to create new international institutions to address new challenges for which existing ones do not suffice or to complement the work of existing organizations.

When the United States leads effectively from within rather than working against or around international institutions, burdens can be shared, complementary roles and expertise can be maxi-

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mized, and legitimacy can be enhanced in ways that help America achieve its own objectives as well as those shared with friends and allies.

The United States must be more strategic in deciding when and how to engage adversaries. Such diplomatic initiatives can provide opportunities for enhancing security, reducing tensions, resolving conflicts, achieving peace, and transforming adversarial relationships, as they did during the Cold War with both the Soviet Union and China. The progress made with North Korea, while well short of definitive, also makes the point. Prospects for diplomatic progress with Iran need to be assessed, not dismissed out of hand. We can be tough negotiators, but still negotiate. Past experience with Pinochet’s Chile, Marcos’s Philippines, and the Soviet Union show that careful and firm diplomacy with autocratic regimes can not only help to change regime behavior but also foster a permissive environment for democratic change.

Although sudden crises will inevitably arise, the United States must develop greater capacity for addressing problems from medium- and long-term perspectives. Prevention must become a central part of strategic doctrine, organizational structure, and decision making. The difficulties of prevention must not be underestimated, but neither should its necessity. In so many areas such as civil conflicts, the global environment, global public health, democracy building, terrorism, and weapons proliferation, U.S. policies have been reactive rather than preventive for too long, leaving the United States with fewer and worse options, higher financial and human costs, and lower probabilities of success.

### **Ensuring 21st Century Military Strength**

Strategic leadership demands a strong military, but also the wisdom to know when and how to wield it. U.S. military power and alliances such as NATO remain crucial to the full range of national and international security objectives against state and non-state aggressors. America must have the will and the capabilities not only to ensure U.S. security but also to enhance the security of allies and friends. The American military must have the

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*“The final decision to use force must be a national one, and consistent with international obligations.”*

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appropriate structure and technological capacity, weaponry, troop strength and morale, information and intelligence capacity, and other support to meet 21st-century threats. It must remain the strongest fighting force on earth.

Strategic leadership also requires revising and updating core strategic doctrines, such as deterrence. The Bush administration confused the need to adapt deterrence to post-9/11 strategic conditions with claims of inapplicability. Terrorists cannot be deterred in the same way that Cold War threats were, but a deterrence strategy adapted to the nature of the threat is a crucial part of overall counterterrorism strategy.

Although Iraq was the wrong war, some wars will nevertheless have to be fought. Force should never be used as a first choice, but in some cases it may need to be used sooner rather than later, particularly when innocent lives are at stake or when grave dangers are emerging. Recognizing the necessity of force in some instances, strategic leadership requires being prepared to act swiftly and surely whenever required. It also underscores the importance of carefully considering the conditions under which force might be used defensively or preemptively and clearly defining the purposes and objectives of every military engagement. A clear threat, a high likelihood of success at acceptable cost, proportionality, and a cause widely seen as just are all necessary conditions for using force — especially if it is likely that using force early will preclude a larger danger from materializing. Enunciating or embracing a doctrine of preventive war is unnecessary and counterproductive, but it is necessary to be prepared to use force preventively if and when the circumstances demand.

The final decision to use force must be a national one, and consistent with international obligations. One of the major lessons of the Iraq war is that the effective use of force has political requisites in addition to military ones. Major military action is most likely to be effective when it enjoys strong international support and possesses a well-grounded normative and legal basis.



Two other limits on the use of military force must be recognized. One is the capabilities-utility gap. For all of the United States' military superiority as typically measured, the asymmetric and highly political nature of major missions such as counter-insurgency and counterterrorism limits the utility of traditional capabilities. Although some of these limits are fixable with changes in doctrine, tactics, and force structure, some are fixed constraints inherent in the dynamics of these conflicts. Nearly every senior American military leader has emphasized that non-military means must play a central role in the war against terrorism, but U.S. practices, including current budget allocations, do not reflect this strategic thinking.

The other limit is the low likelihood of success and high risk of profoundly negative consequences that result from seeking forcible regime change. The Iraq war is failing not just because it has been poorly executed. Even in the case of Saddam's heinous regime, the core objective of overthrowing one government and forcibly creating a new one in its place was fundamentally and fatally flawed.

The United States is blessed with men and women who serve courageously and patriotically in the armed services. In the decisions that are made, the missions that are defined, and the support that is given to them and their families, the next U.S. president must be true to them in deed as well as word. Because America expects its servicemen and women to execute its military strategy without question, it must be far more strategic in deciding when and how to fight.

### **Enhancing Prosperity and Development**

Strategic leadership takes into account all the dimensions of national security—economic and social as well as political and military. The interconnectedness of the global economy has reached an unprecedented level, particularly with respect to foreign direct investment and financial markets. Webs of interaction in many other

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*“Strategic leadership takes into account all the dimensions of national security—economic and social as well as political and military.”*

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dimensions such as communications, transportation, civil society, and culture grow denser by the day. Meanwhile, politics and policy have lagged behind, providing insufficient focus, will and capacity to supplement and regulate market-based forces to achieve balanced and shared economic growth. This governance gap needs to be narrowed by making relevant international institutions more effective, broadening and deepening state-to-state collaboration, and working with the private and nonprofit sectors on innovative partnerships and informal networks. These partnerships and networks would provide a more balanced picture of the winners and losers from globalization as presently structured, and would present a broader spectrum of costs and benefits to policy makers charged with regulating the global economy.

Dramatically reducing global poverty is not just a matter of personal morality but also of national and global security. With the global population projected to swell by one-third in the next 20 years, with 90 percent of the increase concentrated in developing countries, development warrants being on a par with diplomacy and defense in overall U.S. national security strategy. Extreme poverty exhausts governing institutions, depletes resources, weakens the social fabric, and crushes hope, fueling a volatile mix of desperation and instability. Impoverished states are more prone

to explode into conflict or implode into chaos, imperiling their citizens, regional neighbors, and the wider world as livelihoods are destroyed, investors flee, and ungoverned territories become a breeding ground for terrorism, trafficking, environmental devastation, and disease. In a vicious circle, these destabilizing effects of conflict as well as demographic and environmental challenges make it even harder for leaders and institutions to promote human development.

Making global poverty reduction a priority harks back to the best traditions of Franklin D. Roosevelt's "freedom from want," Harry Truman's Point Four Program, and John F. Kennedy's Alliance for Progress. We must deploy foreign aid as a key instrument of U.S. soft power, drawing on lessons learned about how to make it most effective, including leveraging the tremendous resources, energy, and innovation of the American public in both the private and civic sectors. Not only do such efforts help reduce global poverty, but when the United States leads in helping to lift others, we enhance our overall influence and authority in the world community, making it easier to obtain support for U.S. objectives in other areas.

### **Encouraging Democracy and Human Rights**

Leading strategically also means recognizing that weak and failing states have the potential to pose as much of a challenge to U.S. security as strong states do. Given U.S. interdependence with other states on many issues such as global health and terrorism, the United States has a strong interest in promoting the development of effective states.

It is not enough to build state capacity; the type of state matters. Over the long run, the most effective states are democratic. Over the course of U.S. history, American security and prosperity have been enhanced by the advancement of democracy around the world, as seen in the consolidation

of democracy in Italy, Germany, and Japan after World War II; in the democratic transitions in Greece, the Philippines, Portugal, South Korea, Spain, Taiwan and Turkey that made them more effective security partners; and in the spread of democracy in Eastern and Central Europe after 1989, which weakened or eliminated former adversaries and produced staunch new NATO allies.

The United States must adopt an expanded view of democracy that goes beyond the promotion of individual liberties and national elections to encompass the indigenous development of political institutions such as an independent media, an independent judicial system, a robust civil society, and a competitive party system. To create a lasting liberal democracy, electoral democracy must be built on the foundations of these liberal institutions.

As America's founders well understood in designing our own institutions, liberal democratic governments are popular, accountable, and rights-regarding. They are popularly elected, in various ways and to different kinds of representative institutions. They are accountable to the people through a wide variety of mechanisms: freedom of information about government activity and mechanisms to render that information accessible and usable, methods to ensure that public funds are spent on public uses, independent judiciaries to ensure that laws are enforced fairly, and systems for recalling appointed officials and holding elections at regular intervals. They judicially and legislatively guarantee individual and minority rights.

To survive, new democracies also have to deliver on bread and butter issues. Weak states, even democratic ones, cannot become capable so long as they remain poor. Poverty erodes their ability to control their territory and resources and to provide for their people's basic human needs. Poverty also fuels civil conflict and instability,

which in turn further weakens state capacity. In Latin America, a main political dynamic is socioeconomic discontent. In the Muslim world, part of the appeal of Islamic fundamentalism has been the provision of economic benefits and social services that the state fails to provide. In post-Soviet countries such as Georgia and Ukraine, the sustainability of political revolutions depends heavily on avoiding ethnic conflict and on sustaining economic growth. Thus, combating persistent poverty and preventing and resolving conflict must be key components of any effective strategy to build capable democratic states.

### **Energizing America at Home**

The United States cannot lead abroad, strategically or otherwise, without rebuilding our strength at home and reinvigorating our people. Its global role must rest on the solid domestic foundations of a strong economy and an educated, healthy, and innovative society.

The massive triple deficits run up in U.S. fiscal, trade, and international financial accounts are a major source of self-inflicted economic vulnerability. Our economic edge is in danger of being eroded. We can maintain it, however, if we recommit to and adapt the policies that have supported American technological innovation so well in the past. We must once again robustly invest in science and technology, education, research and development, and public infrastructure. Solving the national healthcare crisis is also critical, both because of the drag that it puts on the country's international economic competitiveness and as a matter of social justice.

National energy and environmental policies, including concerted efforts to develop green technologies, are a particular area of unfulfilled yet enormous potential. The Manhattan and Apollo projects demonstrated the United States' ability to meet major scientific-technological challenges.

With environmental protection increasingly seen as a growth industry, the private sector can and should be further incentivized. NGOs with their impressive capacity to mobilize and be policy entrepreneurs in their own right also provide networks for collaboration and innovation with both economic and environmental benefits.

Washington must work to ensure that prosperity is broadly shared by all Americans. The eroding consensus for free trade among Americans is less a plea for protectionism than a call for more concerted efforts for greater equity in

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the benefits that open economies bring. For so many Americans, jobs are a matter of dignity, not just income. Yet at a time when the integration of China and India into the world economy is expanding the global labor force by 70 percent and when technological change is exposing white-collar occupations to low-wage foreign competition for the first time, already-thin safety nets have frayed still further. The task at hand is not to try to wall off our economy; it is to rebuild the foundations of our long-term competitiveness in ways that create a new generation of opportunity. Expanded and improved job retraining programs, along with enhanced unemployment programs and wage insurance, are key parts of a

domestic strategy to better promote adjustment and competitiveness in ways consistent with a fair, open and free global trading system. But we will have to do more than that—starting by building an innovative edge in the kinds of technologies that are as far ahead of cars and high-carbon products today as steel and combustion engines were ahead of iron and buggies at the outset of the industrial revolution.

Americans are rightly concerned about problems like the breach of public faith demonstrated in the inadequate response to Hurricane Katrina, the corrosiveness of American public discourse, diminishing social mobility, and rising economic inequality. Because the appeal of the American domestic model has long been an important source of U.S. global power and influence, addressing these problems is both a domestic

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*“The United States  
must foster a new  
global generation.”*

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and an international imperative. A new wave of progressive reforms must also extend to our political system: to ensure the integrity of our electoral system and to bolster national security by preserving the sanctity of American civil liberties and democratic practices.

While all Americans respond when leaders provide a compelling vision, the next president must speak to the country’s youth in particular. The United States must foster a new “global generation.” Our young people are our greatest asset; with the proper education, values, and motivation, they can engage the world in ways that will advance their own lives and careers and strengthen the nation’s security, economy, and global role.

## STRATEGIC PRIORITIES

From the first day the next administration takes office, it will be pressured from many directions on many different issues. The doctrine of strategic leadership offers a framework for choosing priorities and points the way on how to succeed once those choices have been made. Given the fullness of the agenda, three principal criteria should guide initial priorities: the urgency of the issue, its importance to the security of America and the world at large, and the transformational potential of successful policy outcomes. Applying these criteria yields five initial strategic priorities—counterterrorism, nonproliferation, climate change and oil dependence, the Middle East, and East Asia.

### Counterterrorism

- Place the highest priority on preventing catastrophic terrorism, including a comprehensive review of homeland security policy and organization to maximize prevention of an attack, but also to ensure resilience if an attack should happen.
- Integrate military, diplomatic, political, economic and other instruments of power and influence.
- Adapt military strategy to better fit counterterrorism missions.
- Address the broader dynamics underlying radicalization in many Islamic countries by supporting socioeconomic reform and development, strengthening political alternatives to oppressive autocracy or radical theocracy, and improving public diplomacy and other strategic communications efforts.
- Ensure consistency with the rule of law, fundamental American principles, and our overall international leadership strategy.

As the United States revamps its counterterrorism strategy, the highest priority should be given to preventing catastrophic terrorism. We must prevent al Qaeda and other terrorists from acquiring any capacity for mass destruction, be it nuclear, radiological, biological, or chemical. Keeping these capabilities out of terrorists' hands requires working urgently with partners to secure and reduce vulnerable stocks of nuclear weapons and weapons-usable materials on a global basis, including in the Russian nuclear weapons complex, in research reactors around the globe, and in fragile nuclear-weapons states such as Pakistan. In the longer term, it means strengthening the international nonproliferation regime in ways addressed below.

As important, America needs to fortify itself against a possible catastrophic attack, notably in how it can quickly recover and reemerge as a functioning, vibrant society in the aftermath of another large attack. Terrorists aim not only to inflict damage on the intended target but also to disrupt systems on which our advanced society depends. The more resilient these systems, the less damage even a catastrophic attack will cause. More generally, the next president should conduct a comprehensive review of U.S. homeland security efforts, with particular attention given to setting priorities, managing risk, and achieving greater unity of effort among the various stakeholders involved.

Our broader counterterrorism strategy must be grounded in improved intelligence and threat assessment that goes beyond the blanket designation of a "global war on terror," or a war against "Islamofascism" or radical Islamic extremists broadly classified as the enemy. Differentiations must be made among three types of actors within terrorist networks, each of which has its own motivations and role: perpetrators who plan and commit acts of terrorism; state and non-state

collaborators who provide financial, logistical, and other assistance; and sympathizers who have some affinity for the cause but do not directly participate. Such more accurate and sophisticated threat assessments require both improved U.S. analytic capacities, including closely examining and using unclassified sources of information and expertise, and deepened cooperation with allies and partners. More generally, as we develop strategies

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tailored to each of these three categories, we have an opportunity to identify common interests with other countries around the world and identify areas in which they can take the lead in a global counterterrorism campaign.

With regard to committed terrorists, U.S. strategy must focus on disrupting their plots and destroying their cells, including killing and capturing terrorists through military and covert operations. In some instances, Special Operations Forces will need to undertake direct action to capture and kill terrorist perpetrators, disrupt operations, and prevent attacks. In others, precision airstrikes on high-value targets may be needed. The military will also have more indirect roles in helping to build partner states' counterterrorism and counterinsurgency capacities. This set of missions will require changes to U.S. military



doctrine, training, capabilities, and possibly force structure. It will also require the next administration to have a much more realistic view of what can and cannot be achieved using military means.

Regarding states or other collaborators that provide direct support to terrorists, U.S. efforts must focus on disrupting their financing, recruiting, arming and training networks by building counter-networks of intelligence officers, financial regulators, immigration officials, and law enforcement agencies at the municipal, provincial, and national level. Many of our allies, from Australia to Singapore to Great Britain, have developed substantial expertise in these areas; many of our own officials are already cooperating closely and effectively in these efforts. Strategic

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*“U.S. strategy must also seek to deny the terrorists sympathy and support by working with indigenous partners to address the underlying political, economic, and other dynamics fueling radicalization.”*

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leadership means raising the profile of these efforts and the support given to them, beating the terrorists at their own game. Strengthening these networks as global counterterrorist tools will also increase the costs to any individual state of providing support for terrorists and increase the

benefits of joining global efforts to disrupt and destroy them.

U.S. strategy must also seek to deny the terrorists sympathy and support by working with indigenous partners to address the underlying political, economic, and other dynamics fueling radicalization. We must become more adept at using economic tools such as trade agreements, investment vehicles and development assistance to improve economic conditions throughout the Muslim world. U.S. policy also needs to encourage the creation of more viable political alternatives than exist now in many Arab states between continuation of repressive and corrupt status quos on the one hand and fundamentalism, extremism and terrorism on the other. While remaining firm in opposing those regimes and movements that resort to terrorism and in other ways pose major threats to us and our allies, we also should be more open to pursuing opportunities for developing improved relations with more moderate elements of political Islam.

At the same time, the United States must also learn how to help offer a compelling alternative to the violent extremist narrative, improving strategic communications and revitalizing the instruments of public diplomacy. The positive story must be one that emphasizes the many advantages for individual Muslims, particularly young people, of being connected to the global economy and information society. It must also be a narrative of pride in the achievements of Islam. Here, however, as always, American actions speak louder than words. When U.S. policy and actions are sound, effective public diplomacy can significantly amplify their positive effects, but no amount of communication can compensate for counterproductive or shortsighted policies.

Finally, U.S. counterterrorism policies at home and abroad must be consistent with the rule of

law and the principles that are the foundation of both American democracy and the rules-based international order that America has championed for so long. The terrorist threat will exist for a long time, and the United States must fight it in ways that reinforce rather than contradict its core values. The government should close the detention facility at Guantanamo Bay, unequivocally renounce and halt torture by all U.S. interrogators, assure that the United States does not facilitate the torture of suspects by third countries, and adhere unequivocally to the Geneva Conventions. Unless the United States reclaims its moral authority by becoming the world's greatest champion of the rule of law, it cannot prevail against the terrorists or marginalize the violent ideology that animates them.

### **Nuclear Nonproliferation**

- Reaffirm the vision of a world free of nuclear weapons and take practical steps to reduce their salience.
- Propose to reduce nuclear force levels to 1,000 weapons, provided Russia does likewise.
- Negotiate a verifiable end to the production of fissile material for nuclear weapons purposes and secure ratification of the nuclear test ban treaty at the earliest possible opportunity.
- Propose a five-year global moratorium on the construction of all fissile material production facilities.
- Prohibit all but multinationally owned and operated fissile material production facilities and establish an international fuel bank to guarantee nuclear fuel supplies.

At the end of the Cold War, many had hoped and believed that the risks of nuclear war would be sharply reduced. The United States and Russia agreed to deep reductions in their massive

nuclear arsenals—including the elimination of whole classes of weapons—and Britain, China, and France followed suit. The nuclear Non-Proliferation Treaty (NPT) was extended indefinitely in 1995, and the treaty appeared to be gaining near-universal adherence. The Comprehensive Test Ban Treaty (CTBT) was concluded in 1996. In the immediate post-Cold War period, some were even speaking of the world entering a post-nuclear age.

Many of these positive developments have come to a halt or, worse, have been reversed. The essential bargain that stands at the core of the nuclear nonproliferation regime—that states should have access to peaceful uses of nuclear technology but forswear developing nuclear weapons while states that have nuclear weapons would reduce and ultimately eliminate them—is unraveling. The Iranian and North Korean cases have demonstrated that making clear distinctions between civilian and military nuclear programs is becoming increasingly difficult. Knowledge about nuclear weapons and the technology to build them has spread beyond the tightly knit group of established world powers, creating the basis for a global cartel to proliferate nuclear components and know-how to anyone willing to pay the price. The diffusion of technology enhances the prospect of nuclear materials and weapons falling into the hands of terrorists with global reach. Unlike states, which may be deterred by the prospect of devastating retaliation, terrorists will have little

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*“The next president should reaffirm that America seeks a world free of nuclear weapons.”*

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compunction about using whatever means of mass destruction they acquire.

The “renuclearization” of global politics has made the world a far more dangerous place. The United States should lead an international effort to reverse course and to reestablish an effective nuclear regime that serves both the interests of the United States and of the rest of the world. It is a perfect opportunity to exercise strategic leadership.

The next president should reaffirm that America seeks a world free of nuclear weapons. This goal, as George Shultz, Henry Kissinger, Sam Nunn, and William Perry—now supported by 14 former U.S. secretaries of state and defense and national security advisers—have proclaimed, should become the guiding objective of American nuclear weapons and nonproliferation policy. To that end, it is critical that the next president works with all the other countries around the world to renew the essential bargain at the core of the nuclear nonproliferation regime both by reducing reliance on nuclear weapons and forging a new global consensus on limiting access to nuclear technology used for peaceful purposes.

The nuclear-weapons states, starting with the United States and Russia, must begin the process by reducing their reliance on nuclear weapons and negotiating new agreements that sharply reduce the number of forces they will retain. The United States should propose to Moscow new negotiations that would reduce their respective nuclear inventory to 1,000 weapons of all ranges. The inspection and transparency provisions of existing arms control agreements that are due to expire in 2009 would be maintained. And remaining forces would end their reliance on hair-trigger alerts to ensure survivability. In addition, the United States should ratify the CTBT at the earliest practical opportunity and propose to negotiate a worldwide,

verifiable ban on the production of fissile materials for weapons purposes.

A far-reaching effort along these lines would do much to reestablish American credibility on the nuclear nonproliferation front. Success, however, will require that other countries—especially the non-nuclear-weapons states—also agree to limit their access to nuclear technology, especially reprocessing and enrichment technologies for producing nuclear fuel, which by their nature are indistinguishable from the technologies necessary to develop nuclear weapons.

As a first step, the United States should fully support International Atomic Energy Agency (IAEA) Director General Mohamed ElBaradei’s proposal for a five-year halt on constructing new facilities that enrich uranium or separate plutonium. This moratorium can be the first step toward forging a new international consensus on rules to manage the spread of technologies that can be used for both civilian and weapon purposes.

Specifically, America should build a coalition of countries that have a strong stake in negotiating an agreement that would make all fuel cycle facilities multinational in ownership. The world’s leading uranium enrichment company, Urenco, is a multinational consortium among France, Germany, the Netherlands, and the United Kingdom. The European Union (EU) may thus be well placed to take the lead on this issue. Multinational control of enrichment and reprocessing facilities makes economic sense and builds confidence that they are only being used for rightful, peaceful purposes. An international fuel bank run by the IAEA could guarantee a supply of nuclear fuel to any country that is in full compliance with the NPT.

The road to a world free of any nuclear weapons is bound to be a long one. But its length should not deter us from setting out on the journey. The

next president can bring U.S. nuclear weapons policy in line with present-day requirements—which means continuing to reduce reliance on nuclear weapons while committing to further sharp reductions in force levels. Doing so will restore America’s credibility in leading, in tandem with others, the international effort to combat the spread of nuclear capabilities around the world. For failing to do so would represent not only a grave danger to our own security, but to the security of all nations—be they nuclear haves or have nots—that would suffer the consequences of a nuclear accident or attack.

### **Climate Change and Oil Dependence**

- Spawn innovation and spur renewed competitiveness while securing energy supplies and lowering energy costs for American consumers and businesses.
- Re-engage on the international stage, assume a fully active role in establishing verifiable global standards for emissions reductions and adopt a cap-and-trade regime with the goal of 80 percent emissions reduction by 2050.
- Ensure that developing countries have the resources and tools needed to reduce their greenhouse gas emissions and prepare for climate change effects.
- Reduce our oil consumption—by design rather than default, and learn from other nations that are ahead of us in energy use and conservation.
- Analyze and prevent the insecurity that may arise from growing global resource scarcity.

Climate change poses a real and potentially catastrophic challenge to the environment, the economy, and global stability. As the emissions of greenhouse gases, largely from the burning of fossil fuels, accumulate in the atmosphere,

the Earth’s climate is changing—precipitation patterns are shifting and temperatures are rising. This is not an abstract concept; there is a strong, international scientific consensus that climate change is happening. We do not yet know exactly what that will mean for human societies, but many of the projected effects of climate change are being felt right now, although they are very likely to grow in intensity and frequency. Both drought and flooding seem to be intensifying across the American Midwest and throughout East Africa, among other places. Scientists estimate that many regions of the world will suffer from water shortages even more acute than today’s, while rising seas could displace as many as 300 million people living in coastal areas all over the world. The effects of climate change will also hit global agriculture hard, with people dependent on rain-fed crops facing a reduction by as much as 50 percent in annual yields by 2020.

Although climate change will affect all countries, it is the world’s most vulnerable and poor populations that will be most affected and least able to adapt. Even though UN officials describe climate change as an “unparalleled threat to human development,” the international community had invested only \$26 million in adaptation assistance as of 2007. Meanwhile, many experts agree that the number and cost of humanitarian relief operations necessitated by climate-inspired natural disasters will grow significantly. All of these effects will produce one of the most severe national security challenges to face the nation in the decades ahead, as populations are displaced or impoverished, migration increases, and nations’ abilities to handle resulting instability wane.

Moreover, the problem of climate change goes hand in hand with America’s energy security challenges. Specifically, the United States remains dangerously dependent on oil. The nation’s reliance on fossil fuels in general and specifically on

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oil products to fuel 96 percent of its transportation damages the global environment. It also subjects U.S. foreign policy choices and economic health to the whims and vagaries of foreign oil-exporting countries, many of which are led by authoritarian or hostile regimes.

America’s oil dependence and lack of action on global climate change have eroded American leadership and left the nation vulnerable. The United States lags well behind many allies in acting to prevent catastrophic climate change, including in the formulation of post-Kyoto global standards. This is a failure of leadership and vision, but it is also a lost opportunity: a renewable energy strategy that addresses climate change can also benefit U.S. competitiveness. Instead, America has deferred the new revenues, domestic jobs, and energy savings that a renewable energy strategy can yield and ceded the lead on the research and development of new technologies. Instead of pressing U.S. oil companies to invest in the development of safe and affordable fuels, Washington continues to subsidize them, despite their record profits, and has perpetuated the status quo. As the price of oil escalates, the country has increased rather than reduced its oil imports.

Finally, America’s inaction on the climate and energy fronts has left it unable to effectively influence the policies of other nations. If we expect the developing world to work with us in confronting what is an inherently global challenge,

the United States and other developed countries need to forthrightly accept leadership responsibility given that our use of fossil fuels over the last century have contributed so much to our own economic prosperity. At the same time, there can be no effective solution without the participation of developing countries, particularly China and India. They too, must take on binding commitments that reflect their different stages of development. But these commitments need not harm their ability to provide a prosperous future for their own people. Through enhanced technology transfer, technical assistance and shared best practices, coupled with carbon trading, addressing climate issues can be a win-win proposition for both developing and developed countries.

This lapse in leadership has left Americans less secure and more indebted. Most significantly, the United States has failed to take the urgent steps needed to ensure that national security is sustained rather than undermined by U.S. policies on energy and the environment. America’s failure to engage on this issue will make the resumption of global leadership difficult in the short term.

Despite the challenges, the United States must be one of the world’s leaders on climate change. The world cannot change without us, and changing our policies directly serves both national and global interests. But we will have to move swiftly to shift America’s position from that of laggard to that of leader. The next administration should take five critical steps to drive a comprehensive strategy that derives from science, common sense, and a non-ideological regard for the security challenges we will face.

First, domestic initiatives are needed to spawn innovation and spur renewed competitiveness while lowering energy costs for American consumers and businesses. The only way the



United States can cut its dependence on foreign oil and lessen the threat of climate change is to dramatically cut our dependence on fossil fuels. The United States should rely heavily on the market to help spur this transition by adopting a cap-and-trade regime with a provision to auction emissions credits and the goal of reducing emissions by 80 percent by 2050. Meeting this goal will require significant investments and incentives for research, development, and commercialization of new energy technologies and fuels. The United States has produced incredible technological breakthroughs throughout its history, particularly in times of need. This is such a time. The aim should be that no less than 25 percent of U.S. energy consumption should come from renewable sources by 2025, with a consistently increasing rate thereafter.

Second, the United States must re-engage on the international stage by assuming an active role in establishing verifiable global standards for emissions reductions, particularly through the UN Framework Convention on Climate Change. America must also seize the opportunity to be one of the leaders in the development of a viable carbon trading system that benefits the private sector while enabling the developing world to generate much-needed capital for clean energy development. Rather than announcing to the world that we have changed our views and are ready to take the helm, the United States must work with the key countries in both the developed and developing world to craft a bargain that can provide the basis for global negotiations. In this regard, we must confront—honestly and with an accurate assessment of our own role in the causes of and solutions to climate change—the challenges posed by the rise of China and India by working with other developed nations to address issues regarding “legacy carbon” and future emissions.

Third, the United States should work through the G8 and other international fora to ensure that the resources and tools needed for adaptation and mitigation are on hand in developed countries and also available to the developing world, where the combination of energy poverty and vulnerability to climate change risks the further weakening of already fragile states. As first steps, the United States, the EU, and Japan should work with the private sector to capitalize and insure renewable energy investment funds targeted at the developing world and provide incentives for the transfer of appropriate technologies to the world’s poorest countries.

Fourth, America should focus on reducing its oil consumption and imports by setting new standards for fuel, automobile, and electricity efficiency and promoting the use of electric and biofueled vehicles. These reductions and shifts should be targeted and sequenced to allow the United States to wean its budget and foreign policy off dependence on authoritarian regimes, particularly in the Middle East, as quickly as possible.

Fifth, the next administration must work with NGOs and other governments to raise global awareness of the links between climate change and security crises arising from growing global resource scarcity. Exacerbated by climate change and population growth, potable water and arable land are in increasingly short supply. Decreasing availability will trigger localized and interstate conflict and intensify global migration that will itself spawn new security dynamics. Now is the time to build coalitions and work through international institutions, such as the World Bank and the UN, to make the investments today that will mitigate the tensions arising from resource scarcity over the next 10 to 20 years and beyond.

## The Middle East

- Develop a comprehensive, integrated strategy for the entire region.
- Draw down militarily and build up diplomatically in Iraq.
- Pursue a dual-track strategy of deterrence and engagement towards Iran.
- Ensure a high-level and sustained diplomatic role in Israeli-Palestinian peace efforts.
- Develop mechanisms and structures for regional security cooperation as well as economic modernization and democratic reform.

The new U.S. administration will face a Middle East more threatening to American interests on more fronts than ever before. Focused initiatives should be pursued on four strategic priorities—Iraq, Iran, the Arab-Israeli peace process, and regional security cooperation—within a

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*“A new administration needs to begin drawing down U.S. troops—carefully, responsibly, strategically—while building up diplomatic initiatives (globally, regionally and within Iraq).”*

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comprehensive, integrated regional strategy. The initiatives should draw on all instruments of American power and influence and work with our allies and other interested parties as closely as possible. Although each of these issues has

its own dynamics and stakes, their causes and consequences interact in ways that can only be addressed by a regional strategy.

In Iraq, the best-case scenario by the end of the Bush administration is essentially avoiding the worst case. The security enhancement that the military surge achieved is testimony to the late but commendable shifts in counterinsurgency and counterterrorism strategy led by General David Petraeus and the courageous efforts of U.S. soldiers. Yet, the surge has not produced the political reforms and reconciliation that were its essential purpose. Little, if anything, can be achieved and much is at risk by a continued, massive American military presence in Iraq. A new administration needs to begin drawing down U.S. troops—carefully, responsibly, strategically—while building up diplomatic initiatives (globally, regionally and within Iraq). This entails working at the global level with the UN Security Council and Secretary-General Ban Ki-moon; at the regional level with key parties including the Arab League, Iran, Jordan, Saudi Arabia, Syria, and Turkey; and leveraging multilateral incentives and disincentives in pursuit of greater political accord among the Iraqi Shiites, Sunnis, and Kurds.

The goals remain the same: making sure Iraq does not become a terrorist haven, achieving as much internal stabilization as possible and containing the conflict so that it does not draw in or spread to other states. But the strategy needs to change. We cannot do it by relying mainly on military might. Nor can we achieve our remaining core objectives alone.

With regard to Iran, the overall strategy should be along two tracks: maintaining deterrence and containment by reinforcing defense commitments to regional allies and increasing economic pressure, while also actively engaging Tehran in an effort to resolve particular issues and transform

relations. The threats that Iran poses should neither be underestimated nor overhyped. Iran must be convinced, and others in the region must be reassured, both of America's resolve and its capacity to provide leadership in meeting threats—and of a new administration's genuine commitment to pursue directly, and without precondition, opportunities for mutually beneficial improvements in relations.

Within this overall strategy, remaining concerns about Iranian nuclear proliferation need first to be addressed diplomatically. While no action can be categorically ruled out, the decision to use force must weigh possible damage inflicted on Iranian nuclear facilities against the potential costs incurred and the risks of Iranian retaliation, increased terrorism, global political fallout, and strengthening of the hardliners within the Iranian regime. The United States must also follow the lead of courageous Iranian reformers in devising an effective strategy to encourage democratic progress in Iran. Engagement between the U.S. and Iranian governments can potentially create a more favorable environment for democratic change within Iran, whereas confrontation likely serves to strengthen the opponents of political change.

Two particular lessons stand out from the Arab-Israeli conflict. First, while particular tactics and strategies have varied from one U.S. administration to another, peace agreements are most likely achieved when the United States plays an active role in the process. Second, as difficult as Arab-Israeli peace is today, it will be that much more difficult tomorrow. The finally re-initiated peace talks may yet yield some progress, but they offer little positive prospects as yet. Reaching a full Arab-Israeli peace—a two-state, security-enhancing agreement between Israel

and Palestine; an Israeli-Syrian peace treaty; and Arab League recognition of Israel—is a high and pressing priority. Roles can be usefully played by key neighboring states such as Turkey, Egypt, Jordan, and Saudi Arabia as well as by the EU, UN and Arab League. None of this will suffice, though, without an active U.S. role and full clarity both in the peace process and more broadly on the inviolability of America's commitment to Israel's security and survival as a homeland for the Jewish people. Within these parameters, as with other vital allies, any U.S.-Israeli policy differences are to be worked out constructively.

These particular initiatives on Iraq, Iran and the Arab-Israeli conflict can also contribute to and benefit from broader efforts to help build greater regional cooperation. The basic strategic concept underlying the Middle East multilateral working groups initiated by the Bush (41) administration and continued and elaborated by the Clinton administration, should be revived with appropriate adjustments. Regional agreements and possibly new regional institutions can be of great utility on issues such as arms control and security, economic development, and water and environmental challenges.

In sum, the overall test of strategic leadership in the Middle East is to help shift the dynamic from a destructive one of conflicts fueling each other to a constructive one of progress on one set of issues reinforcing progress on the others. The leverage a new administration can bring to bear on any one of these issues is enhanced by gains made towards security, stability and cooperation on the others. The optimal approach is thus one that pursues focused initiatives within a comprehensive regional strategy.

## East Asia

- Renew America's commitment to comprehensive engagement in the region.
- Reassure our traditional friends and allies that we remain committed to their security and value their cooperation as nations with which we share interests and values.
- Maximize the prospects of China and India rising as open, vibrant markets and stable rights-regarding governments by adapting regional and global institutions to reflect their increased capability and broader interests while avoiding premature hedging against the worst-case outcome of the transitions.

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*“The economic health of East Asia and the openness of its markets are essential to long-term American prosperity; the political evolution of the region will directly affect U.S. security.”*

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- Embed our relationships with our democratic partners in strengthened regional cooperative structures.
- Build on shared interests of all states in the region to address the urgent challenges of energy security, climate change, fundamentalism and nuclear proliferation.

East Asia will be an area of great challenge and strategic importance to the United States because of rapid change within many countries and the need to adapt to the growing power and influence of China and India. The economic health of East Asia and the openness of its markets are essential to long-term American prosperity; the political evolution of the region will directly affect U.S. security. Integrating China and India successfully into the international system and accommodating their power and interests creates positive opportunities but also real dangers. On the positive side, as China and India grow in strength they have the potential to add substantially to the international system's capacity to meet many future challenges, including controlling climate change, reducing the danger of pandemic diseases, combating dangerous non-state actors including terrorists and international criminals, and securing nuclear materials and expertise. But on the negative side, their need for resources at a time of global energy crises and rising commodity prices can easily cause economic and political disputes that can trigger nationalist reactions among their and our people. Their desire to build military forces for self-defense or consistent with the great power status they seek to achieve can also spark a security dilemma with their neighbors, destabilizing their regions. And in China's case, mutual misunderstandings and flashpoints like Taiwan could, in the worst-case scenario, actually lead to military conflict, with potentially devastating consequences.

At the core, American strategy must be designed to maximize the prospects that China becomes and India remains a country with open, vibrant markets and stable, rights-regarding governments and that both countries continue to have cooperative relations with their neighbors; and that contribute to meeting global challenges. The

United States and its friends in the region must make clear that they welcome China's and India's success, that they are prepared to adapt regional and global institutions to reflect their increased capability and broader interests, and that they do not view their rise as a zero-sum equation that necessarily threatens other states' interests.

At the same time, when it comes to China, America must recognize that, because of internal developments that are beyond U.S. control, its rise may in fact threaten American interests. Our strategy must therefore make clear that the choice is China's, and that the United States will adapt its own response as Beijing either demonstrates its desire to integrate into a cooperative liberal global order or takes steps that are threatening to peace, prosperity, and stability. The United States needs to focus on early warning signs of future dangers but not prematurely hedge against worst-case outcomes in ways that leads China to "counter-hedge" and therefore bring about the very dangers that America seeks to avoid. This is particularly challenging because China's non-democratic, non-transparent government makes it harder to judge its intentions.

The long-term U.S. strategy must also reassure traditional friends and allies. Our alliance with Japan remains the cornerstone of our engagement in East Asia and our continued cooperation will help facilitate broader regional integration. America also remains fully committed to the security of South Korea, Australia, New Zealand, and the Association of Southeast Asian Nations (ASEAN) countries and values their cooperation. Sustaining these ties is vital to assuring that they do not feel isolated or threatened by the rise of the new regional powers and thus feel obliged to take their own military and political precautions that could increase tensions and increase

the risk of conflict in the region. The challenge is to sustain these relationships without creating the impression that they are motivated by a desire to contain or threaten the new powers. The best way to accomplish this goal is by embedding U.S. relationships with democratic partners in strengthened regional cooperative structures including trilateral (U.S.-Japan-China), sub-regional (Northeast Asian cooperation building off of the six-party framework), and regional fora (ASEAN Regional Forum and East Asia Summit).

A unique opportunity exists to accelerate the building of these cooperative structures because most of the key countries in the region—including the established nations such as Australia, Japan, Singapore, and the United States and the emerging powers such as China, India and Indonesia—have broadly shared interests in addressing urgent challenges such as energy security, climate change, religious fundamentalism, and nuclear proliferation. By building on these areas of common interest to fashion effective collaborative strategies, the United States can foster a sense of confidence in the region that can provide an important counterweight to economic and security competition.

Key to this overall strategy is renewed U.S. commitment to comprehensive engagement in the region as a first-order priority of a national security strategy, not only as a peripheral interest to be subordinated to other regions or policy problems that compete for policy makers' interest and attention. The United States should join the East Asia Forum and make it clear through high-level U.S. government appointments and adapted interagency structures that the United States has the will and the capability to play a central role in Asia for decades to come.



## CONCLUSION

The challenges confronting the next president are great and growing. But we are a strong and determined nation, and we have successfully confronted challenges like these many times before. We can and will use our great strength, our great confidence, and our great abilities to secure our people and address the problems of others in the deeply interconnected world of the 21st century.

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*“Strategic leadership provides a framework for a national security strategy that meets the demands and needs of our current century.”*

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Our founders believed that they were creating a nation that would secure life, liberty, and prosperity for all Americans. At the same time, our nation would also stand together with all other people against tyranny, inequality, and injustice. At its best, America has pursued its interests in ways that further those global human interests. It has sought partners and helped build institutions to strengthen the ability of all nations to tackle common problems. And it has been willing to strengthen other nations and help them regain their power and prosperity as members of a spreading zone of liberty and peace.

America can and must do so again. The 21st century is an era of deep interconnectedness, creating unparalleled opportunities for those fortunate enough to exploit them, but also great turbulence from which no nation can be immune.

It is also an era of increasingly diffuse power, spreading to many different states and from states to non-state actors of many different kinds. America is well equipped by geography, demography, and national temperament and values to flourish in this environment. To do so will require American leadership — strategic leadership.

Strategic leadership provides a framework for a national security strategy that meets the demands and needs of our current century. Such leadership recognizes that in an interconnected world the best way to secure our own interests is to understand and help secure the interests of others. And such leadership recognizes that in a world in which power has diffused, our interests are best protected and advanced when others step up and at times lead alongside or even ahead of us.

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\$19.99  
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