

# The Opportunity Cost of Security

BY DOV S. ZAKHEIM

The United States has been fighting wars, to a greater or lesser extent, for the better part of the past 20 years. Indeed, hardly a year has passed during that period in which American forces were not involved in combat somewhere in the world. At the same time, the extent to which the United States and its military should be involved in nation-building, which increasingly was tied to the outcome of American military operations, became a major issue during the 1990s. In fact, there were two aspects to this issue, both of which were, and still are, hotly debated.

First, there was the question of whether the United States should be involved in nation-building at all. The American record has at best been mixed. The United States has scored four major successes since World War II: Germany, Japan, South Korea, and Taiwan. Both Germany and Japan were literally flattened in war, however. With populations both highly educated and well trained, they were able to make the best use of the influx of Western development funds that restored their economies and societies. South Korea and Taiwan were led by authoritarian dictators for decades. They were able to mobilize highly motivated and increasingly well-educated societies to achieve remarkable economic growth that was then sustained once their political systems became democratic.

On the other hand, the American record in other places was one of unmitigated failure. Indeed, in the case of Haiti, neither a nearly 20-year occupation by the U.S. Marine Corps from 1915 to 1933 nor multiple American interventions since then could lift that unfortunate nation out of its centuries-long misery. The case for an American policy for nation-building was therefore hardly compelling.

Second, even if the United States were to undertake building or rebuilding nations, there was no agreement regarding the degree to which the military should be involved. This latter debate came to the fore in the 1990s after the disastrous intervention in Somalia. Later during that decade, prompted by America's involvement in the Balkans, John Hillen, who would go on to serve as Assistant Secretary of State for Political-Military Affairs in the George W. Bush administration,

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argued metaphorically that “the military doesn’t do windows” and that soldiers should not be in the business of helping old ladies to cross streets.

To a great extent, this second debate was over America’s role in “peacekeeping,” one that many analysts preferred to be left to the United Nations, European states, Australia, or the Organisation of African Unity, as locale and circumstances dictated. But it was also a question of the degree to which the military’s resources should be diverted from its fundamental mission of fighting and winning the Nation’s wars. Critics charged that the opportunity cost of peacekeeping on the part of the American military was simply too high.

The debate over nation-building, and the military’s role in it, was set aside after 9/11. There was a focus not on nation-building, but rather on state- and institution-building—governance, economic modernization, rule of law, education—in environments that had not been fully secured. It was believed the military was critical to the success of such efforts.

As a result, the role of the military, beyond actual combat, has grown significantly in the past decade, notably in Iraq and Afghanistan. Contributing to this development was Secretary of Defense Donald Rumsfeld’s determination that the Department of Defense (DOD) dominate all aspects of American activity in those countries. In addition, the Bush administration created the Coalition Provisional Authority (CPA) for Iraq. Its leader reported to DOD, not to the Department of State, and to the President.

When the CPA was disbanded, the military filled much of the vacuum the CPA left behind. In Iraq, as indeed in Afghanistan, there was a shortfall of competent civilian personnel to carry out the tasks associated with institution-building. In addition, there was a lack of civilian financial resources to contract for these tasks. The result was the government’s default use of the military

and contractors, the latter primarily by DOD, which, unlike other executive branch agencies, had the available resources to hire in large numbers. Indeed, by 2010 the number of contractors in the two combat theaters exceeded that for military and civilian personnel combined.

With the withdrawal of troops from Iraq, and as the military gets cut back due to budget reductions arising from the current deficit/debt crisis, at issue is whether it can or should continue to pursue what in many cases are non-military tasks, and if so, what other roles and missions it might have to forgo.

In light of these prefatory observations, following are five observations on the do’s and don’ts of state-building, based on personal experience as Under Secretary of Defense (Comptroller) and DOD Civilian Coordinator for Afghanistan from 2001 to 2004 and again as a Commissioner on the Commission on Wartime Contracting since 2008.

First, *if the United States is to engage in state-building, it should not do so alone.* The United States does not need to lead international reconstruction and stabilization efforts. Indeed, when it comes to nonmilitary activities, Europeans, Australians, and others seem to do better at reconstruction and stabilization than Americans. This was the case with European leadership in the Balkans and Australian leadership in Papua New Guinea.

Furthermore, the United Nations (UN) provides important cover for international participation. Many states simply will not participate in, or contribute to, reconstruction and stabilization efforts without a clear UN mandate. This proved to be the case when the United States sought the contribution of troops from India, Pakistan, and various Latin American and Arab states to augment coalition forces in Iraq.

Finally, Muslim states, notably Turkey, appear to have had considerable success



Czech Provincial Reconstruction Team

Afghan students, formerly taught outside, sit indoors at new desks in Czech PRT-built Pole Qandahari School in Logar Province

undertaking reconstruction and stabilization missions in other Muslim states such as Afghanistan. They seem to suffer less from insurgent attacks than do European and American forces and even nongovernmental organizations (NGOs).

Second, *we cannot skimp on resources in the early stages of state-building, nor should we flood a country with resources beyond its capacity to absorb them.* The United States did both in Afghanistan. Due in large measure to the mean-spiritedness of some senior officials in the Office of Management and Budget, the United States systematically underfunded Afghan reconstruction and stabilization in the aftermath of the 2001–2002 military operations. For example, the fiscal year 2003 budget, which went into effect in October 2002, totaled only \$981.8 million. The following year's supplemental request for fiscal year 2004 was for a mere \$800 million, while the same request allotted \$983 million for the CPA's back office operations. It was only through congressional intervention that the final supplemental allocation for Afghanistan totaled \$1.2 billion. Indeed, it was only in fiscal year 2004 that total U.S. spending on Afghanistan first passed the \$2 billion mark (\$2.4 billion).

On the other hand, by fiscal year 2010, the United States was spending over \$9 billion just to train Afghan security forces, and total American spending to assist Afghanistan exceeded \$14.6 billion, of which State and the U.S. Agency for International Development (USAID) contributed \$4.2 billion. Yet Afghanistan's gross domestic product (GDP) the following fiscal year was only about \$16 billion, so that assistance alone nearly doubled Afghanistan's GDP.

Had we put more money into Afghanistan in the early years of the past decade, we would not be fighting today. The country was peaceful in 2002–2004: people were optimistic and cooperative, refugees returned in the millions, and small businesses were starting up. By flooding the country with money today,

we are exacerbating corruption and helping to fund the insurgents. It is currently estimated that insurgents have extorted about \$350 million from American subcontractors; this sum is second only to drug money as a source of insurgent financing.

Third, *if we wish to engage in state-building again, we must rebuild our civilian capacity to do so.* We cannot fight wars when we draw upon the resources of only one or two agencies. Nor can we do so only with civilian volunteers who may not have the appropriate training for the tasks they are assigned to in theater. For example, the Department of Agriculture was unable to fill all the personnel slots allotted to it. Those persons who did deploy came from the Foreign Agricultural Service and had little knowledge about actual farming conditions in Afghanistan.

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Moreover, it is a mistake to default to contractors for work that civilians need to do. In some cases, contractors may simply be inappropriate (for example, personal security details in dangerous war zones). In other cases, their activities may lead to waste if insufficiently or improperly supervised. And contractors tend to be more prone to fraud than civil servants.

The limited success of the Department of State's Civilian Response Corps illustrates the need for a totally different approach to deploying civil servants for reconstruction and stabilization missions. What is required is a commitment from the White House, legislation and funding from Congress, and the ability to mandate that selected civilian personnel in DOD, State, and USAID are properly trained and then mandated to serve overseas just as military personnel do.

In addition, the U.S. Government needs to have the resources to supervise contractors and to undertake certain tasks itself. These include:

- ❖ a permanent inspector general for contingency contracting
- ❖ a dual-hatted top official at both the National Security Council and the Office of Management and Budget to coordinate the interagency implementation of contingency activities and to ensure that these implementation efforts are fully budgeted
- ❖ senior-level officials in DOD, State, and USAID for contingency contracting, including the establishment of a J10 office on the Joint Staff
- ❖ a deployable and expandable cadre of management and acquisition personnel to structure, manage, and oversee contractors
- ❖ planning for contractors as part of the overall deployable force.

In addition, the government should train and have ready to deploy civilians who can assist in many aspects of state-building that might be required in the aftermath of a conflict. These would be not only DOD, State, or USAID civilians, but also those from Justice, Agriculture, and other agencies who might contribute to a state's reconstruction.

USAID in particular has a critical role in this regard. USAID Administrator Rajiv Shah is working mightily to overhaul his agency's culture, which is keyed to long-term, multidecade development and has not responded well to the shorter-term demands of reconstruction. One approach to address this concern would be to expand USAID's Office of Transition Initiatives

(OTI), which currently has a handful of government personnel, the rest being individuals under contract. OTI actually is akin to what DOD special operations forces (SOF) once were: both small and outside the main organizational culture. An expanded OTI should be modeled after SOF, offering a career path to the top for bright, motivated people who are prepared to work alongside the military on hazardous short-term reconstruction projects.

Fourth, *we should limit the military's, and DOD's, role in state-building.* The presence of military people and their equipment can undermine the objective of the nonmilitary work in which they plan to engage. It is exceedingly disconcerting for villagers anticipating a reconstruction project to have Bradley Armored Personnel Carriers roll into their village to undertake that project. Moreover, military personnel rarely have the cultural or linguistic skills to interface with locals. Translators are not always effective; there are many horror stories about translators who do not understand dialects and freelance their translations. Although the military argues that the situation is getting better, “getting better” in this case is not good enough.

The overlap between military and civilian activities is often uncoordinated and wasteful. The military often has difficulties with NGOs, which are suspicious of its culture. Government civilians seem to get better results working with NGOs, who are often funded by civilian agencies, notably USAID.

A prime example of how military activities should be limited is the Commander's Emergency Response Program (CERP), which began as a brilliant idea in both Iraq and Afghanistan. It enabled lieutenant colonels and colonels to support local projects with walking-around cash of \$50,000 to \$100,000. But CERP grew to encompass million-dollar

projects. Many of these projects duplicated, or even undermined, efforts by USAID. The size of these projects meant that they were insufficiently supervised, with waste as a result.

Congress has put limitations on CERP, but it should be ratcheted back to its original levels: no more than \$100,000 should be expended on any one project. Anything larger should be undertaken by civilians. If the security situation prevents civilians from taking on a project, the effort should not be handed to contractors. It should not be undertaken at all until the environment is more receptive to civilian work.

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It is not enough to say that a task is “not inherently governmental” and therefore is permissible for contractors to carry out. The Commission on Wartime Contracting has pointed out that what matters is risk, and therefore the environment should determine whether contractors can be used at all, even if they do not cross the inherently governmental line.

All of the forgoing observations point to a more limited role for the military in state-building that would enable it to meet its other demands in an era of far more restricted budgets. There are many activities that only the military can undertake—to include humanitarian assistance and disaster relief, such as the tsunami that hit Japan in 2011—apart from the obvious one of fighting wars. The military should be enabled to carry out these other functions to the maximum extent possible.

Finally, *American programs should be sustainable.* The Commission on Wartime Contracting issued a special report that furnished example

after example of facilities that are unlikely to be sustained by the host governments in Iraq and Afghanistan. These include:

- ❖ 133 primary health care centers in Iraq that the government cannot sustain
- ❖ a major unused correctional facility (Khan Bani Sa'ad) in Diyala Province that Iraqis do not want
- ❖ a water treatment plant in Nasiriyah that only 14 percent of Iraqis use because the quality of the water is so poor
- ❖ schools and clinics in Afghanistan that do not have teachers, supplies, or security (in contrast to schools supported by the Czech Provincial Reconstruction Team, which are not built unless teachers are available from the outset)
- ❖ security force training that the Afghan government cannot fund on its own since the cost of training, which has risen to over \$10 billion, is more than five times the government's total revenues.

In conclusion, it is highly questionable, given America's record, whether it should seek to take the lead in postconflict reconstruction and stabilization. That is not to say that the United States should not play an important role in those efforts, only that its resources could be commanded by others—the UN, or Europeans, or Australians, to name the most obvious candidates.

In any case, America should not skimp on resources in the early days of reconstruction; costs rise astronomically over time due to local conditions that can get out of control, as they did in Afghanistan and Iraq and, arguably, in Somalia in the 1990s.

The military should not be America's primary resource for reconstruction. Nor should it be contractors. The key actors should be government civilians from every agency that might have a role, ranging from DOD to Agriculture. Civilians should do some of the work themselves. They should ensure that the military's efforts do not overlap with theirs. They should coordinate with NGOs, which are typically uncomfortable with the military. They should maintain close oversight over the work of contractors, ensuring that the only tasks contracted out are those not excessively risky, whether due to security, incidence of corruption and bribery, or some other factor.

Finally, any effort the United States undertakes—in conjunction with other states and certainly on its own—should be sustainable in the long run. American taxpayers simply cannot afford to tolerate waste, much less fraud. The opportunity cost of waste, fraud, and excessive use of the military is simply too high.

The debate regarding the value of U.S.-led state-building operations is far from resolved and will likely continue for years to come. Nevertheless, just as it is impossible to foresee future contingencies, it is equally difficult to discount the likelihood that the requirement for reconstruction and stabilization might emerge again. It has arisen often enough in the past two decades to justify the need for the U.S. Government to have a coherent approach to state-building, one that provides the appropriate resources, personnel, and management to the task. Our taxpayers, and our troops, deserve nothing less. **PRISM**