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1 | Introduction

Churchill is said to have commented after a particularly undistinguished meal: “The pudding [that’s dessert for us Americans] lacked a theme.” This is also true of the world before us today. If that world is less existentially dangerous than the height of the Cold War, it is scary in its shapelessness. Threats seem to emanate from everywhere, unpredictably, even at a luncheon in San Bernardino or a nightclub in Orlando. It is a world that cries out for old-fashioned strategic analysis as an input to strategy: What is important, what is less so? How do issues connect or relate to each other, and where are the trends taking us? Where and how should we intervene, and where should we disengage? What are the important investments to make? What should we be aiming for a decade hence?

This report proceeds in six parts. The first portion frames the issues. The second examines some historic context, drawn from the authors’ recent book on the National Intelligence Council (NIC). That history drives home the point that the challenges facing strategic analysis and strategy are hardly new. In the third portion, the report looks specifically at the evolution of strategic analysis through the NIC’s Global Trends series. Strategic analysis is not prediction, but it is still instructive to look at where Global Trends have been prescient and where they have not. Fourth, the report takes up instances in which the United States has been successfully strategic, seeking lessons for the future. The fifth and central part of the report addresses a handful of “challenge problems,” a set of critical challenges as examples of how strategy might make a difference. They are the kinds of current and foreseeable challenges that are most in need of strategic analysis, for which we seek not to provide answers but to articulate the questions and provide a framework for addressing them. The sixth and final part offers a conclusion that asks how the nation

1. This report draws on two antecedents. The first is work one of the authors conducted a few years ago, which asked a number of senior foreign policymakers whether they were interested in strategic analysis, and if so, how and what sort. Their answer was a cautionary starting point: yes, they would have liked more strategic analysis, but it had to be targeted to issues then on their agendas. It had to be useful today. To paraphrase a colleague: if strategic analysis (and planning) doesn’t help me with what I’m doing today, it’s only entertainment. See Gregory F. Treverton, “Making Policy in the Shadow of the Future,” RAND Corporation, 2010, https://www.rand.org/pubs/occasional_papers/OP298.html. The second antecedent is the book the authors just finished. As former chairs of the NIC, Greg Treverton and Bob Hutchings asked six colleagues, whose tenures ran back to the early 1990s, to join in writing chapters reflecting on their times as chair. They all agreed, and the book is an intriguing look inside an important institution. Given that the NIC’s primary mission, historically, was strategic analysis, it is also a chronicle of the travails—and sometimes the successes—of thinking strategically over the last two decades. Robert Hutchings and Gregory F. Treverton, Truth to Power: A History of the U.S. National Intelligence Council, (Oxford University Press, forthcoming 2019).
might drive toward a system that, in the words of one of the authors, “makes policy in the shadow of the future.” Key questions are raised such as: how does the policy choice meet the immediate needs as well as advance longer-term strategic goals and anticipate second- and third-order effects down the road? How can the government improve the chances of embedding strategic analysis in these critical issue areas?
2 | Framing the Issues

By strategy, we mean ranking issues, matching means to ends, and charting a course toward an overall objective. During the Cold War, in contrast to now, strategy was not much of an issue: containing the Soviet Union was the overwhelming priority. To be sure, if most of the debates occurred at the edges of an agreed strategy, sometimes they were heated: Were China and the Soviet Union allies? Did revolutionary regimes in Central America or Africa upset the bipolar geopolitical order? Then, with the demise of communism, the United States fell prey to the opposite, the lure of the “unipolar moment,” which made many Americans think the country could simply dictate the future. When 9/11 happened, it was almost as if the country had at last found the foe for which it was searching, and the result was the badly-misguided “global war on terrorism,” which substituted a war on a tactic for a strategy that dealt with the world.2

Now, the very shapelessness of the world demands strategic analysis even as it frustrates doing so. For example, the United States never really made a strategic choice in confronting Syria over the past few years: which was more important, defeating ISIL or ousting the Assad regime? Plainly, the choice is a very hard one, but lacking a strategy, the United States let the Russians make the choice for us—leaving Assad in power to defeat ISIL. That this world frustrates the making of strategy is an insufficient argument for not trying. The underlying question is how to know—or how to begin knowing—which is more important. This calls for deep strategic analysis informed by history. In the greater Middle East, is the principal concern brutal authoritarian leaders, some of whom are equipped with weapons of mass destruction (WMD)? Is it interference by outside powers? Or is it maintaining a balance of power, including a Sunni-Shia balance? And ultimately, how important is that region to the United States?

Intelligence has an important role to play. No doubt it would have been asking too much for U.S. intelligence to assess frankly that Assad was prepared to see every (non-Alawite) Syrian dead before he abandoned power, or that Russia would see both need and opportunity to dramatically up the ante in its support for its ally. But those would have been important points to reckon with in making U.S. strategy.

Lamentations in the U.S. Intelligence Community that the urgent issues drive out the important ones, and that immediate tactical needs overwhelm more strategic considerations, have been a staple of our entire professional lives. Yet not only is the need for strategic analysis especially acute now, but so are the challenges.

- **Fighting wars.** The nation, and its intelligence services, have been fighting wars for almost a generation. That has shaped the entire realm of policymaking and has had a doubly deforming effect on intelligence. When U.S. intelligence looks at Nigeria, there is not much Nigeria: it is Boko Haram. And even when it looks at Boko Haram, there is not much Boko Haram: it is all deciphering networks and targeting bad guys. The threat of terrorism is of course a driving force in U.S. thinking, but how do scholars and policymakers understand the forces that sustain and strengthen terrorist organizations and their adherents? Scholars trying to address such questions usually lack the grounding in policymaking (especially the discipline imposed by having seen policies fail); policymakers usually lack the time and analytic depth needed to go so far beyond the near horizon. Still more to the point, how important is the ill-named “war on terror” by comparison to other U.S. foreign policy aims? Domestic politics ultimately may dictate the answer but should not drive the strategic understanding.

- **How to make “strategic” useful?** Senior policymakers always want but seldom read more strategic analysis. This is a hardy perennial. Intelligence always realizes that it has to “push,” for most of the time in most administrations there will be little “pull.” Indeed, in the oral culture that is Washington, perhaps intelligence should conceive of its “products” differently, as people, not just paper. For informing strategy, the NIC’s National Intelligence Officers (NIOs) probably are more important than its National Intelligence Estimates (NIEs); the conversation with policy counterparts will be more fruitful than passing to them a paper, which they probably won’t have time to read in any case.

As an example of the tyranny of the tactical, in 2016 the NIC produced about 700 pieces of paper, and more than half of those were memorandums from a NIO to the national security adviser, her deputy, or another senior National Security Council official. They came directly from the deliberations of the two main policymaking bodies in the administration—the Principals Committee, including the relevant cabinet secretaries; and the Deputies Committee, which comprises of the deputies of the relevant cabinet secretaries, and is the focal point for assessing options and teeing up decisions for the Principals Committee. Not all those were purely tactical. Some were the “what ifs?” of the sort that should be the warp and woof of intelligence-policy relations: “if we do x, how will Putin respond?” Because NIC officers were at all the policy meetings, they knew what was going on. But the task, every day, was to find time and capacity not just to answer the questions policy officials asked but also to answer the more strategic ones they weren’t asking. If this was the state of play for the NIC, whose historic mission is strategic, imagine what it meant for other agencies. It is not at all obvious that at this point the Intelligence Community has much capacity for doing strategic analysis.

It is very timely to revisit these issues, not merely because the world will remain very shapeless but also because these are good days neither for strategy nor for relations between intelligence and policy, not least, perhaps, because and this seems to be an age...
where facts seem subjective and personal. Beyond Washington, so-called populist leaders or would-be leaders are openly celebrating unpredictability as a virtue of leadership. When you’re a decisionmaker—in a governmental agency, in an international institution, or in a private-sector firm—how do you deal with that?
3 | Strategic Analysis in Hindsight

A brief look at history, especially that surrounding the nation’s premier strategic analysis shop, the NIC, illustrates the long lineage of challenges for strategic analysis. In early 1941, as the United States embarked on a war footing, the legendary William J. “Wild Bill” Donovan, having been named wartime coordinator of information (COI) by his friend President Franklin Roosevelt, was pushing for a centralized intelligence program that would bring together the intelligence offices of the navy, army, State Department, and FBI. The surprise Japanese attack on Pearl Harbor on December 7 sealed the deal, demonstrating the catastrophic consequences of uncoordinated intelligence collection and assessment. COI was renamed the Office of Strategic Services (OSS) and moved from under the aegis of the White House to the Joint Chiefs of Staff. In a military order of June 13, 1942, Roosevelt formally established the OSS and directed it to “collect and analyze . . . strategic information” and to “plan and operate special services.”

If the cloak-and-dagger wartime operations of the OSS are the stuff of legend, less well known is its role in strategic intelligence analysis through its Research and Analysis (R&A) Branch, led after 1943 by Harvard historian William Langer, identified in war correspondence as “OSS 117.” With a staff in Washington that expanded to 1,500 and an additional 450 analysts overseas, R&A produced over 3,000 studies during the course of the war. These ranged from targeting to occupation planning to studies of leaders and included one report on Soviet capabilities and intentions that Langer argued “may justly be called the first national intelligence estimate.” R&A also served as the incubator for

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3. This section is drawn from the draft introduction to Truth to Power.
area studies programs in the United States, when many of its alumni returned to academia after the war.9

Yet the OSS was never given the central coordinating role that Donovan envisioned. Undaunted, as early as 1943 he was looking to post-war intelligence. He argued for a truly centralized peacetime intelligence system led by a single agency, but his plan was successfully scuttled by the military services.10 After the war, President Truman, who had received scathing reports on the OSS, sometimes from self-serving sources, demobilized the OSS effective October 1, 1945, just weeks after V-J Day.11

The next few years saw a series of failed institutional arrangements wrecked on contentious issues that recurred in the debates over the organization of intelligence: the uncertain, episodic commitment to strategic intelligence on the part of the senior-most political leaders and their reluctance to disrupt the military chain of command by creating a centralized intelligence system.12 The one thing the army, navy, State Department, and FBI could agree on, then and now, was that they opposed a strong central authority controlling their collection and analysis.13

The remnants of R&A moved to the State Department as the new Office of Research and Intelligence.14 Then, by an executive order of January 22, 1946, Truman established a Central Intelligence Group (CIG), headed by a Director of Central Intelligence (DCI), with the DCI reporting not to the president but to a collective “National Intelligence Authority,” composed of the secretaries of State, War, and Navy, and the chief of staff to the president. It, like Donovan’s wartime OSS position, was a weak DCI model, and for the same reasons. It was a compromise plan that denied the State Department the control it had sought but deprived the newly created CIG the authority it needed to fulfill its mandate.

The National Security Act of 1947 essentially affirmed this failed arrangement by establishing “under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof.”15 In effect, the CIG became the Central Intelligence Agency (CIA), and the newly created NSC took over the intelligence functions of the former NIA. The CIA was established “for the purpose of coordinating the intelligence activities of the several Government departments and

9. According to McGeorge Bundy, national security adviser to Presidents Kennedy and Johnson, “The first great center of area studies in the United States was not located in any university, but was in Washington . . . in the Office of Strategic Services. In very large measure the area study programs developed in American universities in the years after the war were manned, directed, or stimulated by graduates of the OSS.” (McGeorge Bundy, “The Battlefields of Power and the Searchlights of the Academy,” in Edgar A.G. Johnson, ed., Dimensions of Diplomacy [Baltimore: The Johns Hopkins University Press, 1964], p. 2-3.)
12. This issue resurfaced prominently in the debate over intelligence reform in 2004-5.
14. With the issuance of the National Security Act, ORI became the State Department’s Bureau of Intelligence and Research, or INR (after the office passed through multiple name changes in the period 1945-47).
agencies in the interest of national security,” yet the arrangement continued to reflect the strongly held positions of the key departments, and indeed of the president himself, for a decentralized intelligence structure and a weak DCI.

The defects of this arrangement were evident almost immediately. Under the mandate to create a strategic intelligence function under the DCI, the CIA created an Office of Reports and Estimates (ORE) to issue longer-term strategic intelligence analyses and to coordinate and synthesize intelligence reports and analyses of the various intelligence agencies. Facing the same resistance that had produced the weak CIA/DCI arrangement in the first place, ORE could not enlist the cooperation of the other agencies and relied instead on self-generated national intelligence estimates, thereby drawing criticism both for failing to perform its coordinating role and for simply adding to the flurry of uncoordinated intelligence analyses.

As with the creation of the OSS, it took an intelligence failure—this time, failure to warn of North Korea’s invasion of the south in June 1950—to produce action. In response, Truman nominated Lt. Gen. Walter Bedell (“Beetle”) Smith, who had been chief of staff to General Eisenhower during the war, to take over as DCI. Among his decisive early steps, Smith brought in William Langer and Sherman Kent to straighten out the analytic side of the agency as director and deputy director of a newly created Office of National Estimates (O/NE), which replaced the ORE, and created a new analytic art form—the National Intelligence Estimate (NIE).

The O/NE and the associated Board of National Estimates, which was responsible for the production of NIEs, established the basic structure of strategic intelligence analysis that continues to this day. Harold Ford succinctly described the NIE process, which would be familiar to every subsequent O/NE director or NIC chair:

> Assisted by contributions from other entities of the intelligence communities, the ONE prepared the draft NIEs, chaired their coordination by working level offices of the intelligence community and then submitted those Estimates for approval to the chiefs of the respective intelligence agencies who then met together under the chairmanship of the DCI. Every finished NIE indicated which agencies had participated in its preparation and pointed out dissenting judgments where they occurred.

The Langer/Kent years are sometimes looked back upon as the “golden age” for national estimates. Certainly, Langer—and Kent, who succeeded him in 1952 and served for 15 years—assembled an impressive group of academic luminaries. Of the 13 members of the board in 1964-65, only one had a professional military background. In quality,

16. Ibid.
17. Subsequent amendments to the 1947 act strengthened the role of the DCI as the “principal advisor,” a designation was specified for the newly created position of Director of National Intelligence by under the intelligence reforms of 2004 (under the Intelligence Reform and Terrorism Prevention Act). For a detailed analysis of these interagency battles, see Zegart, Flawed by Design, p. 163-184.
20. Donald P. Steury, “Introduction,” in ibid., xii. The Board also drew on a secret panel of academics known as
some of the early work was of a high order in both analytic rigor and independence of judgment. The board made seminal contributions to the understanding of Soviet strategic capabilities, and its analysis of China was better than that of policymakers or most of the academic community, starting with its early conclusion that the Communists would prevail in the Chinese civil war and continuing with its early recognition that the Sino-Soviet alliance was coming apart.\footnote{Ford, “The US Government’s Experience with Intelligence Analysis,” p. 38-9. In 2004, the NIC published the texts of every NIE on China during the Maoist period, in *Tracking the Dragon: National Intelligence Estimates on China During the Era of Mao, 1948-1976* (Washington, D.C.: National Intelligence Council, 2004).}

For all its prestige, O/NE was criticized on grounds that continue to this day. First, the intelligence was to be *coordinated*, which meant that the office had a mandate to gather intelligence from all the agencies and then referee differences among them. Second, it was to be *strategic*, which put it in competition with agencies that trafficked mainly in current intelligence. Third, it was to be *national*, which implied that it was superordinate to the intelligence analysis coming out of any individual agency.

Perhaps more telling, among the critical audience—policymakers—NIEs came to be seen as opaque, detached, and Delphic—or, as National Security Adviser Henry Kissinger put it, “Talmudic.”\footnote{Ibid., p. 39; Steury, ed., *Sherman Kent and the Board of National Estimates*, p. xx.} They reflected Sherman Kent’s belief that policymakers wanted a glimpse of the future, and that his office could provide it. His seminal book, *Strategic Intelligence for American World Policy*, distinguished three targets of intelligence analysis—things that are known (facts), things that are unknown but knowable, and things that are unknowable.\footnote{Sherman Kent, *Strategic Intelligence for American World Policy* (Princeton: Princeton University Press, 1994).} He believed that disciplined intelligence analysis could narrow the essential uncertainty of the future, and he believed that to maintain analytic independence and scholarly integrity, analysts needed to keep policymakers at arm’s length. In short, Kent took the “truth to power” admonition to the extreme.

The liabilities of Kent’s approach were exposed in a disastrous September 1962 NIE, which not only failed to warn of the impending Soviet installation of nuclear ballistic missiles in Cuba, but resolutely argued, even as contrary evidence was accumulating, that such a move was all but unimaginable because it would not fit longstanding Soviet patterns of behavior as Kent’s ordered methodology parsed them.\footnote{Kent undertook a thorough (but unconvincing) self-critique in Sherman Kent, “A Crucial Estimate Relived,” *Studies in Intelligence* 36, no. 5 (Spring 1994): p. 111-19, reprinted in Steury, ed., *Sherman Kent and the Board of National Estimates*, p. 173-87. The basic problem, as Kent saw it, was not so much faulty analysis as it was the faulty judgment of Chairman Nikita Khrushchev, who didn’t behave as Soviet leaders are “supposed” to behave.} This and other misestimates—one Soviet strategic weapons developments, for example—generated growing dissatisfaction with ONE’s work during the 1960s. Some of the criticism of the board was ill-founded and unduly deferential to power: DCI John McCone savaged a 1963 draft estimate on Vietnam on grounds that its conclusions were far more negative than those of “the people who
know Vietnam best.” The final version that McCone approved concluded that “Communist progress has been blunted and that the situation is improving.”25

President Nixon commissioned a review of U.S. intelligence by James Schlesinger, who delivered a scathing report that was particularly critical of the Board of National Estimates. When Schlesinger became DCI for a brief stint in 1973, he initiated reforms to the board that were institutionalized later that year by his successor, William Colby.26 Colby promptly abolished O/NE and the Board of National Estimates and dismissed the staff. As he explained in his memoir:

I had sensed an ivory-tower mentality in the Board; its composition had tended to shift to a high proportion of senior analysts who had spent most of their careers at [CIA] and who had developed a ‘mind-set’ about a number of the issues in opposition to the views of the Pentagon and because of the way Nixon and Kissinger had excluded them from some of the White House’s more sensitive international dealings. . . Thus, I created the positions of National Intelligence Officers.27

For every solution there is a problem, and the NIO structure was no exception. In 1979, the NIOs were organized into the NIC. Created to overcome the isolation and “academic detachment” of the Board of National Estimates, the new arrangement introduced a new set of problems—greater susceptibility to politicization, a growing focus on current analysis, and a diminished mandate for in-depth research. It also led to the NIC’s greater integration into the CIA culture and to the CIA’s dominance in the production of most NIEs and other community assessments, a process that had begun even under Kent’s tenure.28

At the same time, many of the structural deficiencies of the earlier system remained—the weakness of the DCI’s Intelligence Community mandate, the autonomy of individual agencies, and the growing usurpation of strategic intelligence by the NSC staff. The NIC’s role—and that of intelligence analysis generally—was also transformed by subtle cultural shifts brought on by a new generation of policymakers and intelligence analysts who had not experienced the close wartime connections between these two worlds. The two “tribes” of intelligence professionals and policymakers had grown farther apart.29

28. As Garthoff put it, “Even the NIE process run by Sherman Kent over time became perceived as less community-oriented as CIA took over a large share of the research and drafting that supported the community’s premier product.” (Ibid., p. 27).
4 | What Does Strategy Require?

What is striking about the history of strategic analysis is how much of it is still with us. Similar questions remain today, including whether strategic analysis is prediction or not; how strategic analysis competes with tactical analysis, both for policy attention and among the intelligence agencies; concerns about politicization; and, perhaps above all, the challenge of providing strategic analysis that would be, and would be seen to be, useful to senior policymakers. Moreover, through the years the NSC staff and the planning staffs of the Departments of State and Defense have become more and more operational, focused on the immediate rather than the longer term.

Strategic analysis is about framing the future, not predicting it, a point underscored by an instance from the mid-1990s. As then-NIC Chair Joseph Nye recalls:

> In 1994, Washington and the Clinton Administration were very uncertain on Asian policy. Some saw Japan as a threat; others wanted to contain China and try to prevent its rise. I asked Ezra [Vogel, the NIO for East Asia] to outline eight different Chinese futures ranging from fragmentation into warlordism to highly centralized nationalist aggression. We then looked at probabilities and implications for stability in East Asia. This intelligence map was very useful to me when I went to DoD and helped [then-Defense Secretary] Bill Perry design and implement our defense strategy for the Asia Pacific region which was “integrate but hedge.” We worked to integrate China into the liberal international order while at the same time hedging our bets against their possible bad behavior by reaffirming and strengthening the US-Japan alliance.30

The National Intelligence Council’s *Global Trends* reports, issued every four years for more than two decades now, offers an ideal laboratory experiment in the evolution of strategic analysis.31 Over time, in preparing these six quadrennial looks into the future, the NIC learned to combine trend analysis with scenario analysis. For the 2017 edition,

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30. Communication from Nye.
Global Trends 2035, NIC officers visited more than 30 countries and touched, in one way or another, more than 2,000 people. They met with government officials and think tank experts but also sought to reach more deeply into the trends, holding focus groups with students in Mexico City, entrepreneurs in Bangalore, and women’s groups in a number of countries. The reports were grounded in solid data but went beyond the data to produce scenarios that were developed in a rigorous way. Those scenarios were not predictions but rather provocations for further thought: if this trend dominated, or this one broke, what would the world look like?

If strategic analysis is not the science of prescience, getting the future right is always welcome. And looking at Global Trends over time does show instances of prescience. Global Trends 2015, published in 2000, is perhaps the fairest test, since 2015 has come and gone. It did a good job at laying out Russia’s serious problems, ranging across politics, economics, demography, and health care, and what this portended for the future: Putin’s bent toward hierarchical rule from Moscow was likely to promote a drift toward authoritarianism and a foreign policy aimed at regaining lost influence abroad. It also foresaw that global warming would challenge the international community as indications of a warming climate became manifest in melting polar ice caps, sea level rise, and increasing frequency of major storms. It also noted that the Kyoto Protocol on Climate Change, which mandated emission-reduction targets for developed countries, was unlikely to come into force soon or without substantial modification.

Global Trends 2015 also pointed to “youth bulges” and how they would stress weak economies and increase political instability in various regions of the world, especially the Middle East. So, too, water scarcity would also increase instability in that region. The report accurately predicted “quantum leaps in information technology” and rapid advances in other technologies that would transform humankind when in responsible hands but threaten catastrophe when controlled by bad actors like terrorists, narcotraficantes, weapons proliferators, or international criminal networks.

Where Global Trends 2015 was singularly unprescient is also worth pondering—and cautionary. It implied that some progress might come on Korean unification, and it flatly predicted not only that a Palestinian state would be established but also that Israel would achieve a “cold peace” with its neighbors. If those judgments turned out to be too hopeful, others were more pessimistic than what ensued. For instance, while the report stressed the rise of both China and India, it also indicated that their future was fraught with uncertainty about the ability of both governments to manage formidable development challenges. The analysis was sophisticated and nuanced, but the reality for both countries probably was more promising that the NIC predicted.

Overall, globalization looked pretty promising in the late 1990s, and Global Trends 2015 was perhaps too straight-line in projecting a rosy future. To be sure, terrorism was mentioned prominently, but it would have benefited from some excursions, like a major terrorist attack on the United States (of which a clutch of blue-ribbon panels had warned). By the same token, the report painted a rosy picture of the future of U.S. global leadership, despite some serious challenges—a far cry from the world’s gloomy view of U.S. leadership today.
Global Trends 2020 did clearly foresee the dark side of globalization and the coming backlash against it. It saw the rise of China and India as virtual certainties, along with a possible fracturing of the European Union. It also raised the possible advent of a new caliphate in the Middle East, something not being discussed back in 2004 when the report was published. Yet these premonitions did not become manifest for several years after the report’s publication, which reveals both the importance but also the challenges of long-range analysis: how to persuade policymakers to take seriously a danger that may not be borne out until long after their terms of office.

Global Trends 2025 saw the international system in flux with post-World War II institutions eroding but new ones not being created. It also foresaw the power shifts afoot, with power dispersing among state and non-state actors, and both power and wealth moving eastward across the globe. It saw the rise in identity politics, along with the decrease in U.S. dominance. It noted the prospect of a transition to energy less reliant on oil and gas, as a consequence decreasing both the wealth and influence of oil-producing states. It predicted a superstorm, but as it turns out, Hurricane Sandy would come much sooner than anticipated.

For the two most recent Global Trends reports, it is perhaps too early to tell since 2030 and beyond are a long way off. Still, Global Trends 2030, released in 2013, featured the theme of U.S. shale oil and gas, growing U.S. energy independence, and the impact of both on world energy markets. Also, the first scenario in that edition, “Stalled Engines,” had the theme woven throughout of the United States turning inward and protectionist.

It is often complained that policy is reactive rather than driven by clear strategic priorities. But the question should not be whether policy is reactive: given the complexity and essential unpredictability of world affairs, policy will always be obliged to react to unforeseen developments. The real question is whether the responses are haphazard and episodic or fit within a larger, flexible strategic framework.
5 | Acting Strategically

Even when policymakers and planners try to think strategically, the exchanges back and forth between policy and intelligence rarely reach the level of strategy. The “if, then” exchanges between policy and intelligence, like those over Putin's Russia, are a beginning. But “if, then” isn’t enough, unless it is stretched out two or three steps into the future and is then embedded in a larger—and more dynamic—strategic concept. Intelligence analysis has to be relevant, but policymakers have to be willing and able to think strategically. The best policymakers understand that strategic analysis can enable strategic planning, but is not the same thing as strategic planning. So, too, many policymakers take the point that the same impulses that led Harry Truman to place the strategic intelligence analysis function within the Intelligence Community are as valid now as they were in 1946.

Strategic planning can be biased by the fact that it begins with policy planning, which tempts policymakers to chart the future on the basis of their hopes and expectations rather than relatively dispassionate analysis.

In the end, strategic work is relevant only when—and only to the extent that—it has buy-in from the senior leadership. Royal Dutch Shell’s famous scenarios group learned that lesson well. When the group lacked such buy-in, it failed. The relationship works best when senior leaders understand that they need to make decisions for the long term against an uncertain future. They need to understand that strategic analysis is hard but also necessary, and that decisions taken only for the short term are likely to cost the organization—and the country—dearly.

It is not as though it is impossible for the United States to be strategic. The U.S. decision to give priority to the European front in World War II, despite Pearl Harbor, is taken for granted now, but was a controversial strategic choice then. This section outlines several examples of instances when the United States behaved strategically:

**The Marshall Plan**

In the instance of the Marshall Plan, as in other cases like the fall of Communism, the world itself all but required the United States to be strategic. The plan was generous, though not hugely so—$140 billion in current dollars, compared to a current defense

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budget of over $800 billion, not to mention a cost of over $4 trillion for U.S. combat operations overseas since 9/11.\textsuperscript{33} What is more striking about the plan is that it left the onus on the Europeans to decide. In Marshall’s words: “It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically.”\textsuperscript{34} It was a long way from the whiney preachiness that so often characterizes U.S. policy pronouncements. And in the end the United States tolerated a degree of central planning on the European side that was uncongenial for Americans even in the 1940s.

If in many respects, the Marshall Plan looks easy in retrospect—the United States emerged from the war owning half the global economy and a trade surplus equal to 4 percent of gross national product (GNP)—its central features are suggestive for the making of strategy. Something, some strategy, plainly was necessary. It was driven from the top—no accident that it was called the “Marshall” Plan. It was no single shot but rather a program to be implemented over time. And it took prominently into account the preferences of those it intended to help.

**Nixon-Kissinger Opening to China**

This is probably the clearest instance since World War II’s aftermath of strategic thinking driving a major policy change. Both Nixon and Kissinger had separately come to the idea, and Nixon had foreshadowed it in a *Foreign Affairs* article.\textsuperscript{35}

As Winston Lord, Kissinger’s close aide and later ambassador to China, put it:

> Kissinger’s rationale, and Nixon’s, included the following. First, an opening to China would give us more flexibility on the world scene generally. We wouldn’t just be dealing with Moscow. We could deal with Eastern Europe, of course, and we could deal with China, because the former Communist Bloc was no longer a bloc. Kissinger wanted more flexibility, generally. Secondly, by opening relations with China we would catch Russia’s attention and get more leverage on them through playing this obvious, China card.\textsuperscript{36}

Nixon’s historic visit to China in 1972 stands in history as one of the greatest strategic achievements of the Cold War. “The week that changed the world,” as Nixon himself dubbed it, not only altered the balance of the Cold War but also laid the groundwork for China’s opening to the world under Deng Xiaoping. The normalization of the U.S.-China relationship remains vital even 45 years later, with implications for contemporary international affairs, all the more so as the world faces a China on the rise.

When Mao and the Communists came to power in 1949, China came to be seen in Washington as one with its Red partner, the Soviet Union. That perception long outlived the facts, despite the prescient assessments of ONE mentioned earlier. The results

\textsuperscript{36} As quoted in “Moments in Diplomatic History: Nixon Goes to China,” Association for Diplomatic Studies and Training, [http://adst.org/2013/02/nixon-goes-to-china/#.WnJRHBainHIU](http://adst.org/2013/02/nixon-goes-to-china/#.WnJRHBainHIU).
wereas the isolation of Communist China for two decades, American U.S. support for Nationalist Taiwanese nationalism, and two wars in Korea and Vietnam. Contrary to the received wisdom, however, Sino-Soviet relations had been tense for much of the 20th-century twentieth century. What first began as a divide in communist ideologies culminated in 1969 in a seven-month armed conflict at their northeast borders.

The incoming Nixon administration saw that the rivalry between Beijing and Moscow could be exploited to the West’s favor. The opening fit well with the diplomacy of the administration, one that emphasized practical circumstances, not ideology, morality, or ethical constraints that had dominated U.S. foreign policy during the Cold War. While Kissinger is widely credited for introducing Realpolitik to the establishment, Nixon himself showed similar tendencies even before he began his presidential campaign. In his 1967 Foreign Affairs article, he wrote:

> Any American policy toward Asia must come urgently to grips with the reality of China . . . Taking the long view, we simply cannot afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten its neighbors . . . We have to proceed with both an urgency born of necessity and a patience born of realism, moving step by calculated step toward the final goal.37

For Nixon and Kissinger, despite the ideological differences between Mao’s China and the United States, the normalization of U.S.-China relations would alter the strategic landscape of the Cold War. While the rapprochement has often been regarded as a card to play for leverage over the Soviet Union, the rationale behind the U.S.-China rapprochement was triangular diplomacy. As Henry Kissinger explained in 1968, “in a subtle triangle of relations between Washington, Beijing and Moscow, we improve the possibilities of accommodations with each as we increase our options toward both.”38 Just as the United States could play the “China Card” against the Soviet Union, the rapprochement also created a “Soviet Card” that could be leveraged in the Sino-American relationship. In sum, the opening provided the United States more flexibility in foreign affairs, allowing it to deal with more than just one nation of the communist bloc.

The third strategic rationale behind the opening was the interest in bringing China into the world community, establishing an acceptable code of conduct that the Chinese would abide by. Nixon and Kissinger understood that integration into the global economy and community would generate rewards but also imply self-inflicted constraints. In decades to come, this meant that China would be less willing to challenge the world order that is tilted in favor to the United States. As Nixon explained in his Foreign Affairs article:

> For the short run, then, this means a policy of firm restraint, of no reward, of a creative counterpressure designed to persuade Peking that its interests can be served only by accepting the basic rules of international civility. For the long run, it means pulling China back into the world community – but as a great and progressing nation, not as the epicenter of world revolution.

This argument sounds remarkably familiar in today’s times, given recent debates over whether the norms of the liberal international order are capable of constraining China from becoming increasingly aggressive. Under President Xi Jinping, this seems less and less likely. Indeed, since the end of the Cold War, triangular American-U.S. diplomacy has languished: relations with Russia have deteriorated and the China connection has been rocky since the turn of the century. Meanwhile, despite their own differences, the world has seen a greater cooperation between Russia and China. Their renewed relationship was formalized in the 2001 Treaty of Good-Neighborliness and Friendly Cooperation. The two countries have also presented a united front on a number of issues internationally, with one often backing the other in the United Nations on issues in their own respective spheres of influence, where the cost to the other is low. Perhaps Nixon’s strategic lesson is again apt, and it is time to reassess the relationship with both Russia and China. As Nixon said, “When you have two enemies, we want to tilt towards the weaker, not the strong.”

Perhaps it is time to think about how to salvage what was the “Soviet Card” in the Sino-American relationship, for if the Marshall Plan grew out of obvious need, the opening toward China was more an opportunity taken.

**End of Communism and the Soviet Union**

Like the end of World War II, the collapsing Soviet Union could not but raise big questions about the implications for the future of NATO, of Eastern Europe, and of the Russian space itself. It too cried out for strategy. Still, the performance of the George H.W. Bush administration showed an impressive ability to be strategic. It did stretch several moves into the future. This episode also serves as a reminder that neither strategic analysis nor strategy is enough to act strategically. The machinery of government has to be adjusted to the change.

With change coming to Eastern Europe in the spring of 1989, especially in Poland where an agreement in April promised openly-contested elections for the summer, the administration made the strategic calculation that the Cold War, if it ended, would end where it began — in Germany. In March a memo for the president from the National Security Council staff argued: “Today the top priority for American foreign policy in Europe should be the fate of the Federal Republic of Germany. . . Here we cannot promise immediate reunification, but we should offer some promise of change.” Germany was, as it had been since the end of World War II, the main prize, and the administration kept its eyes on that prize. What happened in Poland was important, but what happened in Germany was crucial.

The administration inherited both a divided Congress and a divided executive, in which the principal national security agencies were running what amounted to their own foreign policies. In Congress, Democrats were up in arms over the arms-for-hostage scheme in which the previous administration had sold weapons to Iran to fund support for the anti-communist contras in Central America, in contravention of a congressional prohibition on such support. Secretary of State James Baker worked out a compromise

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with congressional Democrats, removing an irritant that would have complicated all of the administration’s foreign policy.

In seeking to return coherence to the executive branch and adjust it to the changed strategic circumstances, President Bush issued a raft of orders calling for policy reviews of major issues around the globe. Those reviews were tedious—as we can attest having participated in this particular form of policymaking by committee. Yet in many respects the point was less substance than to signal a clear break with the policy of the previous administration and to spark some creative thinking down in the working levels of the national security agencies. “Foreign policy is conducted . . . by hundreds if not thousands of officials, and effective diplomacy calls for coherence among the foreign policy agencies, consistency in diplomatic signaling, and careful consideration of policy options beginning well below the level of senior policymakers.”

The Bush administration also benefited from having the constant attention of the president and cabinet officers, at least until the middle of 1990 when the Iraqi invasion of Kuwait and preparation for the first Gulf War intruded. It was also perhaps the most collegial administration in recent memory; presidential scholar Richard Neustadt likened its atmosphere to that of the locker room at an upscale country club. Collegiality at the top filtered down to senior aides, experienced and strategic, like Robert Blackwill, Robert Zoellick, Dennis Ross, and Robert Kimmitt. The president’s prior service as director of Central Intelligence and Robert Gates’ as deputy made for a steady stream of commissioned CIA and NIC analyses.

The Bush administration’s choices boiled down to three options: do nothing and let the dynamic play out; seek an understanding with Soviet leader Mikhail Gorbachev; or throw U.S. weight behind the processes of change in Eastern Europe. Since Europe was reshaping fast, sitting by made little sense. Responding to Gorbachev’s appeals for some understanding was appealing on the surface and was being pushed on the administration by outside experts, including Henry Kissinger. In the end, though, the administration decided that conniving with the Soviets to set the limits of change in Poland and Hungary was both cynical and unworkable; better to set an American agenda than buy into a Soviet one.

Events quickly outran any policy discussion, so improvisation became the order of the day. The Polish elections in the summer of 1989 brought Solidarity to power, and the floodgates were opening. The breaching of the Berlin wall in November changed everything. The administration embraced a step-by-step approach to German unification, as laid out in a detailed, 10-page strategy paper for the president.

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42. This exchange is nicely described in Jack Davis’s interviews with Robert Blackwill, “A Policymaker’s Perspective on Intelligence Analysis,” https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/vol-38no5/pdf/v38i5a02p.pdf.
43. Hutchings and Suri, p. 154
might play out, and set forth possible responses, ranging across diplomacy, public affairs, and force.⁴⁵

Not surprisingly the final negotiations were arduous, not least with allies, for Britain and France initially opposed reunification. Later, whether a reunified Germany would remain in NATO became a major sticking point. To sweeten the pill, the president bucked congressional opposition and offered Gorbachev a trade deal at their summit in Washington in June 1990. After the critical NATO meeting in July, both the president and Secretary Baker sent their counterparts notes saying that NATO was transforming in ways consistent with Soviet security interests. These were slightly disingenuous, for while NATO never promised not to extend eastward, neither did it ever come close to transforming in ways that would have given Moscow a seat at the table.

Given the fast pace of events, the end of Communism is a reminder of the adage that while plans often are useless, planning is imperative. In this case, it let the administration adapt quickly to changed circumstances but in the context of a strategy for where it wanted to go. The outcome was a success: Germany reunified and remained in NATO. With the full benefit of hindsight from Vladimir Putin’s rants that the United States and NATO humiliated Russia in the 1990s, option two—an understanding with Moscow—might now look a little more attractive. But the Bush administration was probably right that this seemingly generous gesture, had it been tried, would have left Europe divided, with Russia ceded a sphere of influence in the east. And Putin’s rants probably derive more from subsequent expansions of NATO and from the triumphalism that inevitably colored Western attitudes toward Russia from the 1990s onward.

**Camp David Accords**

Here, perhaps the most important strategy at play was that of Egyptian President Anwar Sadat. The Carter administration, however, understood that the changed strategic circumstances after the 1973 war opened an opportunity, and it had the staying power to persevere despite setbacks in the negotiations. It also came to the strategic conclusion that only the direct involvement of the president, with his prestige and interpersonal skills, could break the logjam—hence Camp David.⁴⁶

For Sadat’s part, virtually from the time he entered office, he sought to shake Egypt free of pan-Arab ambitions, focusing on Egypt itself and especially its collapsed economy. For that purpose, hostility to Israel was an expensive diversion. Indeed, he was prepared to negotiate with Israel for peace at least as early as 1971, well before the war. The war turned out be part of his strategy: he understood, unlike Israel (and the United States), that while he couldn’t win a full-scale war with Israel, victories in battle would restore Egyptian pride, perhaps paving the way for negotiations.⁴⁷ In that sense, the war turned out just as he had hoped: it began with a massive crossing of the Suez Canal by Egyptian forces, who then advanced into the Israeli-occupied Sinai Peninsula. Israel counter-attacked and

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⁴⁶. For a nice summary of this case, see Galia Golan, “Sadat and Begin: Successful Diplomacy to Peace,” in Hutchings and Suri, cited above.
surrounded Egyptian forces, but by then the United States and Soviet Union had joined to end the fighting.

Israel drew its own lessons from the war. It turned out that the “defense in depth” that Israel thought it enjoyed after its victory in the 1967 war was more “reinforcement at distance” this time around, as Israel struggled to reinforce at Suez. Besides, the Egyptian territories in question were not part of biblical (Eretz) Israel. So, the U.S. approach for Israel to trade “land for peace” was at least a starter.

Elections in the United States and Israel created new pressures—and new opportunities. President Carter and his national security adviser, Zbigniew Brzezinski, opted against the existing step-by-step approach to Middle East diplomacy in favor of a more comprehensive approach through a resumed Geneva Conference of all the parties to the Arab-Israeli conflict. Carter also introduced, abruptly, the idea of a Palestinian “homeland” into discussions, much to Israel’s dismay.\(^{48}\)

On the Israeli side, elections in May 1977 brought the right to power for the first time in Israel’s history, with Menachem Begin of the Likud Party as prime minister. Strategically, Begin was clear what he didn’t want—a comprehensive peace and “unacceptable “territorial concessions,” which meant to Begin any piece of Eretz Israel. That did not include territory seized in 1967 from Egypt in the Sinai. Here, strategy and tactics coincided for Begin: negotiating with Egypt not only offered the chance of taking the most powerful Arab state out of the conflict, it would also distract attention from the two things Begin didn’t want. Sadat’s famous speech at the Knesset did repeat the demands for a comprehensive peace with all the parties and all seized land returned to them. Yet interspersed in his speech were lines that spoke to the most visceral of Israeli concerns—the need to be recognized as legitimate by an Arab state. Sadat’s gesture was underscored by the risks—political and personal—he took in coming to Israel.

Yet despite the drama of Sadat’s trip, the two sides remained far apart, with Sadat telling an Israeli paper a year later, in early 1978, that “Begin gave me nothing . . . I gave him security and legitimacy, and got nothing in return.”\(^{49}\) Thus, the final element was the U.S. decision to involve President Carter. The result was the Camp David meetings, informal but secret, with the president personally moving from delegation to delegation, offering suggestions but also stern lectures when one or the other side was prepared to go home. The eventual accord was messy, and both leaders faced opposition at home. Sadat, in particular, saw his country ostracized by other Arab nations, particularly because he had not insisted on a direct link between bilateral peace and autonomy for the West Bank and Gaza. But the peace has endured for nearly 40 years, no small feat in human history.


\(^{49}\) As quoted in the *Jerusalem Post*, January 12, 1978.
North American Free Trade Agreement (NAFTA) and Trans-Pacific Partnership (TPP)

These instances were strategic in the sense of thinking steps ahead and embracing many actors and facets, even though they were perhaps not “world-historical” in the way the opening to China was. TPP, and before it NAFTA, were strategic efforts to expand and deepen interdependencies, giving firms and countries a stake in one another and in the rules-based order. In that sense, they sought to forge lasting relationships to replace legacy alliances often directed at countries that no longer existed and to do so without creating new divisions or enemies.

All parties made major strategic choices in agreeing to NAFTA. Mexico’s was probably the most momentous; it decided, in effect, “if you can’t beat ‘em, join ‘em.” After generations of standing stubbornly aloof from the United States, Mexico came to the conclusion that geography couldn’t be changed: in the line attributed to Porfirio Díaz, “pity poor Mexico, so far from God and so close to the United States.” So Mexico decided that it ought to benefit from, not resent, being the neighbor of the world’s leading economy. America’s strategic choice was less dramatic but boiled down to the recognition that a more vibrant Mexican economy was not only good for the United States in general but would in the long run diminish the flow of immigrants from Mexico. For Canada, the choice was mostly necessity: it was already deeply embedded in U.S. supply chains, in automobiles especially, so it couldn’t not be party to a hemispheric arrangement.

Paradoxically, when Mexico opened its economy in the 1980s and sought to increase exports, trade frictions with the United States increased. It was obliged, for instance, to acquiesce in a “voluntary” restraint on steel exports. In all, Mexico signed six trade agreements with the United States between 1985 and 1989. These both foreshadowed and paved the way for NAFTA. Yet Mexican President Carlos Salinas and his team calculated that for all of Mexico’s economic reform, neither the European Union nor Japan was prepared to invest heavily in Mexico: the European Union was preoccupied with the demise of the Soviet Union and Japan with its own deflation. That left the United States.

President George H.W. Bush could hardly reject the idea of a free trade negotiation, since he had suggested it, in 1988 before either he or Salinas had entered office. Salinas traveled to Washington in June 1990 to persuade Bush of the idea. Despite some reticence on the part of his trade negotiators, who were more than fully engaged in the Uruguay Round, Bush agreed to start talks. NAFTA became Salinas’ paramount foreign policy objective: Mexico created a separate office in Washington just for the negotiations, and in the endgame Mexico mounted a full-court press, unprecedented for Mexico, hiring lobbyists to work the Hill and engaging Washington think-tanks on analyses that would underscore the benefits of an agreement.

51. This discussion draws on Rafael Fernandez de Castro and Beatriz Leycegui, “Economic Statecraft through the Use of Two-Level Games: Mexico’s Successful Diplomacy in NAFTA and the Pacific Alliance,” in Hutchings and Suri, cited above.
In broad terms, the agreement worked as intended. Mexico became more and more imbedded in North American supply chains, and the country’s exports to the United States increased from $10 billion in 1990 to over $260 billion in 2013. And while by many accounts, the United States benefited even more than Mexico from NAFTA—witness the outcry from U.S. business when President Trump committed to renegotiating it—economic growth in Mexico has been enough to end the stream of migrants headed northward.

On February 4, 2016, President Obama signed a trade accord known as the Trans-Pacific Partnership (TPP), a multilateral trade agreement between 12 nations—not including China—totaling approximately 40 percent of global GDP. TPP was a central piece of his administration’s “pivot to Asia.” And of his trade policy: as he put it, “we have to make sure the United States – and not countries like China – is the one writing this century’s rules for the world economy.” The U.S. push on TPP always was rooted in the strategic judgment that the TPP would be a counter to China’s growing influence in the Pacific Rim. The Asia-centered negotiations began in 2002 with exploratory talks among a small group of Pacific Rim countries.

When President Bush announced that the United States would enter TPP negotiations in February 2008, he noted that participating the TPP would allow the United States to better compete in Asia, where there were several competing regional economic integration initiatives that excluded the United States, referring to China’s attempts to more thoroughly penetrate the markets of other Asian nations. Over the next eight years, U.S. leaders retained the rhetoric that the TPP would be a way to balance against China’s pervasive economic influence—to keep China from acquiring an advantage over the United States in interactions with shared trading partners, exactly the opposite of what the trade deal accomplished in the end.

To be sure, there were to be direct economic benefits as well, though the magnitude of those was somewhat contested. They became more apparent when the Trump administration pulled the United States out of TPP. A team of economists from the Peterson Institute for International Economics predicted that had the United States followed through with the TPP, wages would have increased, causing domestic annual incomes to grow by $131 billion and exports to increase by $357 billion. Those figures, respectively, represent 0.5 percent of national GDP and 9.1 percent of U.S. exports, meaning that had the TPP gone through, the United States would likely have been benefitting from a substantial increase in both incomes and exports.

The instances when the United States acted strategically provide pointers to the future. Most plainly, the visible need for some strategy helps; that was made clear at the end of World War II and with the impending demise of Communism. But opportunity can spur strategic thinking, as it did with Camp David and the trade agreements. Strategy has to be driven from the top, in these cases by presidents but also by the presence of senior officials who think strategically. Capacity has to be adjusted or created. U.S. trade negotiators had their hands full with the Uruguay Round, so NAFTA was at first a bother. Or, to foreshadow later analysis, think how hard it would be to change U.S. counterterrorism strategy now, given the interlocking and mutually reinforcing set of officials that has coalesced around the current approach since 9/11. Finally, since the future is unpredictable, the goal of strategy is to enable tactical flexibility while sustaining a vision of desired futures. The goal is planning, not a plan.

The purpose of the challenge problems that follow is not to recommend a strategy. Rather it is to raise provocative questions about the current U.S. approach and lay out steps that might lead to a more strategic approach. For each issue cluster, the analysis begins with U.S. interests and current trends related to them, along with wild cards or scenarios to consider, then turns to what vision would make sense for U.S. policy 10 years out, and finally to questions the process raises about U.S. policy now.

**Challenge Problem: Greater Middle East**

**U.S. INTERESTS AND CURRENT TRENDS RELATED TO THEM**

- Countering terrorism. Trends neutral: threat modest in general and mostly homegrown. Wild card: new groups morph out of old, use ungoverned territory in region to build training camps and perhaps new caliphate.

- Avoiding nuclear proliferation. Trend was messy but positive; with U.S. withdrawal from Iran deal, now negative. Wild cards: Iran breaks out; Saudi Arabia (or Turkey) mounts accelerated program to nuclear weapons.

- Assuring Israel’s security. Trend relatively positive: Israel secure now. Wild cards: collapse in Lebanon leads to Iranian/Hezbollah control or other significant escalation in Israel’s conflict with Iran; Egypt taken over by extremists.
• Assuring energy supplies. Trends positive: U.S. production up, renewables cheaper and cheaper. In region, constraints are violence in Iraq and Libya, sanctions on Iran. Wild cards: regime change or major violence in the Gulf.

• Containing “outside” influence, especially Russia and Iran. Trend negative: Russian and Iranian influence on rise. Wild cards: again, Iranian “takeover” of Syria (and Lebanon).

• Special challenge of Afghanistan and Pakistan. Trend in Afghanistan is negative: United States and government slowly losing to Taliban. Pakistan committed to links to terrorists to preserve leverage in Afghanistan. Wild card: Pakistan loses (or uses) a nuclear weapon.

U.S. VISION 10 YEARS OUT

• Terrorism not spilling out into Europe or North America.

• No nuclear weapons state in being or in visible prospect. No use of nuclear weapon by states at edge of region, India and Pakistan.

• Israel secure.

• Global oil flows keep prices reasonable.

• No major state—Egypt, Saudi Arabia, especially—ungoverned or taken over by Muslim extremists.

• Violence in region, especially sectarian violence, waning, not increasing.

POLICY QUESTIONS RAISED IN GETTING FROM HERE TO THERE, GIVEN TRENDS

• How do we deal with the prospect of a redrawing of existing national boundaries? It is a scenario we would prefer to avoid, but which may present itself nonetheless.

• Given the modest terrorist threat emanating from region, increasing global energy supplies, and a secure Israel, is the greater Middle East less important than it has been in recent history?

• In particular, given the homegrown nature of terrorism, and the demise of the caliphate, is there an argument for some U.S. disengagement from the region? Or does the risk of “another ISIS” justify continued major engagement?

• In the same vein, the United States has been most successful in Afghanistan when it worked directly with the warlords, not the government. Should that again be the focus of U.S. policy?

• Is it worth asking whether the “whack-a-mole” strategy against terrorist cadres in the region, one mostly carried out by drone strikes, is worth it in terms of collateral killing and adverse public reaction (and a recruiting windfall for terrorists)?

• Ditto for countering Russia and Iran: are their capacities self-limiting? And what leverage should the United States seek in the Sunni-Shia conflict, recognizing that it was U.S. intervention that tilted the balance dramatically in favor of the Shias?

The region is a reminder that long-term planning often gets eclipsed by short-term challenges that must be met. Bureaucratically, it has proven difficult over multiple administrations, going back to the end of the World War II, to wrest strategic planning
from the purviews of powerful departments. In the Middle East, for many years the United States pursued “dual containment” with Iraq and Iran, with the goal of maintaining a regional balance. Then, after the Iranian Revolution, the United States sided with Iraq because we opposed the actions of the Iranian regime. Then we invaded Iraq—twice—tilting the balance back to Iran and the Shia and setting loose enormous violence. These shifts were not thoughtless; indeed, each was informed by what was thought to be strategy. But they were short-term and ultimately destabilizing moves.

**Challenge Problem: The Future of Trans-Atlantic Relations in the Shadow of Increasing Russian Activism, Including in U.S. Elections**

**U.S. Interests and Current Trends Related to Them**

- NATO’s survival and successful adaptation—or, failing that, its replacement by a viable European security system closely tied to the United States. Trends mixed: defense spending by European rising but U.S. commitment to NATO in question.

- No war and risk of escalation. Trends mixed: Russia seems to understand the redline but will keep pushing for what it regards as its rightful place as major power. Wild cards: Putin miscalculation; U.S. overreaction.

- Containing Russian intervention in U.S. (and allied) elections and politics. Trends also mixed: once Russia MO discovered, Russian actions no secret, but secrecy may not matter much; interventions in electoral infrastructure were practice for next time, and new tools will develop (especially “fake” pictures and videos). Wild card: dramatic new cyber tools.

- Facilitating Russia’s long-term decline. Trends mixed: Russian activism has, if anything, reinforced its dependence on hydrocarbons, but it is playing weak hand well, including an impressive, if limited, military modernization. Russia likely to favor tools that it has, like nuclear weapons, or that are cheap, like cyber. Wild cards: global events that drive up energy prices; election of reformer as president.


- European Union a stable and capable economic partner; ditto for NATO in the security realm. Scenarios for Europe:

  - Europe without NATO. Under continued pressure from migrants and continued uncertainty about the role of the United States, NATO becomes more name than a capacity. European states are unable and unwilling to commit military force, especially outside Europe.

  - Multispeed European Union with an inner core and outer perimeter. Driven by continued migration and economic doldrums, the Eurozone reduces to a core around Germany, borders return, and other major countries—perhaps Italy and Spain—follow Britain’s lead exiting.
• Europe loses its liberal ethos. Here, again, migration and very different economic trajectories drive populist responses, especially in Europe’s east. Other countries follow Russia’s lead into the surface stability of illiberal democracy—a reminder that a liberal internal order and democracy are not the same, for the latter only means that the majority rules, perhaps into illiberal measures.

**U.S. VISION 10 YEARS OUT**

- No war, no NATO member turned into Russian satellite.
- Russia deterred from meddling in U.S. elections.
- Russian global influence not increasing; no Sino-Russian strategic alliance.
- Russia at least a sometimes-cooperative problem-solver.
- NATO and European Union remain stable and able partners for the United States, even as both sides of the Atlantic are led by younger people for whom Cold War alliances are only history.

**POLICY QUESTIONS RAISED IN GETTING FROM HERE TO THERE, GIVEN TRENDS**

- How to refashion and reinvigorate the transatlantic relationship despite the diminished sense of common security interests, as compared to the Cold War era?
- Does the United States have the right mix of inducement and deterrence in Europe? Under Russian pressure, NATO has moved from being a “soft” alliance in, for instance, Baltic members, to more militarized deterrence. At the same time, it is plain that Ukraine, for instance, will not be a NATO member.
- Should the United States rethink sanctions? The U.S. role in the global economy and global IT network has enabled the country to target sanctions on individuals. The main risk is that second-order effects will push Russia out of international economics bodies.
- Can the United States usefully support reform in Russia? In the early years when Russia wanted to reform, the answer seemed yes. Now it seems no; actions even of Western NGOs bring cries of “foreign interference” from Moscow and reinforce the Kremlin’s narrative that the West, and the United States, are out to contain Russia.
- Is a major nuclear build-up warranted, including following Russia into lower-yield (and thus potentially more “usable”) weapons?
- Should the United States be rethinking the implications of a Russia that is too weak, not too strong?
- What levers does the United States have to produce the kind of Europe it seeks? Even a major trade agreement, like TTIP, would have only modest economic effect, especially given the scale of trans-Atlantic commerce now. Military measures to reassure European NATO members, especially in the Baltics, cannot help but play into the Russian narrative of being surrounded.

This challenge problem drives home the need, analytically, to move beyond prevailing mind-sets. In the late 1980s, the CIA devoted almost no analytic work to the non-Russian
republics of the Soviet Union, whereas many hundreds of analysts focused on the Soviet military. In many respects, its analyses of the Soviet economy were prescient, but those were conducted within a mind-set, understandably at the time, that made the end of the Soviet Union virtually impossible. Small wonder that the United States failed to anticipate the Soviet collapse and, what is worse, was unprepared when it occurred. Suddenly the United States needed to know about power brokers at the republic and sub-republic level. The questions that needed answers after 1992 were very different from Cold War priorities. The same is true now: in some ways we are back to Cold War Kremlinology, in asking who influences Putin and who might succeed him. But for all the current fecklessness of Russian “civil society,” it is critical to ask how it might become more important as Russia declines.

**Challenge Problem: China and Order in East Asia**

**U.S. Interests and Current Trends Related to Them**


- Containing Chinese expansionism in Asia. Trends negative though mixed: China’s militarization of the South China Sea continues, though sparked backlash in neighbors, most importantly Japan. Wild cards: crisis over Taiwan, which is no longer defensible by the United States; collapse in North Korea leads to Sino-American race to control nuclear weapons.

- Dealing with a rising China. Trends negative: this is a historical first for the United States, which always was the rising power. U.S. and Western assumptions dashed: as China gets richer, it is not becoming less repressive and more plural. Wild cards: serious internal struggle or turmoil in China; continuing U.S. retreat from global leadership.

- Turning a rising China into a cooperative partner and participant in neoliberal order. Trends mostly negative: opposing the Asian Infrastructure Investment Bank was a mistake, one that only reinforced China’s conviction that the current global order is stacked against it. U.S. retreat from that order convinces China it was right. China as model more and more appealing around the world. Wild cards: again, Chinese economic and/or political turmoil; dramatic change in U.S. policy toward multilateral engagement, including in trade.

- Sustaining security of allies, especially Japan and South Korea. Trends positive: Japan and South Korea more able to defend themselves, and Chinese incursions unlikely in any case. Possibilities for easing tension with North Korea, which might further diminish need for U.S. role in their defense.

- Containing North Korea’s nuclear capacity. Trends had been negative, now perhaps trending upward, though with major uncertainty about outcomes and implications for the United States. Possible North Korean scenarios:
• A North Korea (whose longevity has already defied expectations) that limps along (“muddles through”) for some time to come. The regime remains fragile and insecure, unable and unwilling to give up its nuclear program but also incapable of reform. China and South Korea, fearful of a chaotic breakdown of order, continue abetting the regime.

• North Korean collapse, leading to unification whether South Korea and China are ready or not. South Korea, fearful of a chaotic breakdown of order, would be the driving force (much as the Federal Republic called the shots on German unification), but neighboring states would demand a role, especially but not only in the disposition of North Korea’s nuclear weapons program.

• North-South convergence, in which a weak (but not yet collapsing) DPRK and a worried ROK begin negotiating the terms of their evolving relationship. This might start with symbolic steps like marching under the same flag at the Olympic games and having de facto joint representation in international fora, but it would transmute into something like confederalism. This would be a more orderly scenario than the previous, in that the two Koreas would be in control as more nearly equal partners, but it could have more consequences, such as retention of the nuclear program under dual control. This could provoke regional conflict and pressure on Japan to develop a nuclear deterrent.

U.S. VISION 10 YEARS OUT

• China a stable and predictable economic partner.

• Internal governance less repressive if hardly democratic.

• China’s external initiatives mostly driven by expanding economy; geopolitical competition with the United States relatively stable.

• Japan and South Korea remain stable and prosperous, and close U.S. friends even if the military dimension of the alliance lessens.

• North Korean nuclear capacity contained.

POLICY QUESTIONS RAISED IN GETTING FROM HERE TO THERE, GIVEN TRENDS

• The immediate question is about how to deal with an apparent opening with North Korea. Here, the intelligence had been clear—Kim Jong-un will not give up his nuclear weapons—but is less clear after the summits of 2018. But might outcomes short of immediate denuclearization suffice in the context of a broader lessening of the temperature on the peninsula?

• How forthcoming can the United States afford to be in pursuit of peace and denuclearization? What constraints on exercises, missile defenses, and troop levels should it consider, and in exchange for what?

• China stands to be the big winner if negotiations go well: its troublesome partner’s security will be affirmed; it will be seen as the great facilitator; and the U.S.-South Korean alliance will be weakened, along perhaps with Korean missile defenses. Given the longer-term perspective, is that a price the United States should pay?
- In the longer run, the bigger questions are about China. First, how much influence does the United States have? Economically, the two are locked in a kind of economic version of the Cold War’s mutual assured destruction: we could destroy their economy, and they ours, but that would be pretty silly.

- What will be the future of China’s ambitious One Belt, One Road project, which would extend China’s global reach far beyond its historic horizons? The project could (a) succeed, (b) fail, leading to severe repercussions for regime security, or (c) turn China into a new imperial power, trying to manage the conflicts its ambitions spawned.

- What is the right combination of carrots and sticks? In particular, does the precedent China is setting the South China Sea justify more than freedom of navigation (FON) demonstrations? If so, what?

- In any event, China’s economic rise will continue to increase its military power, in the process denying the United States options in China’s neighborhood it once thought it had. Taiwan will become indefensible short of the risk of a major Sino-American war.

An implication for strategic intelligence on both North Korea and China is underscored by the Korea case, where intelligence is more or less prepared for the first scenario, but scenarios two and three call for information and analysis that the nation lacks the capacity to provide. Who are the second and third order power brokers in the DPRK? What might be the contours of a new balance of regional nuclear power? The government won’t be ready to confront such scenarios if we do not begin posing these questions now. In a crisis, it will be too late to “surge.”

As these regional surveys make all too vivid, the United States faces a clutch of fundamental challenges in a world that has grown more complex and unpredictable, and its power and influence, while still formidable, is no longer as decisive as it was in the latter half of the twentieth century. The need for strategic planning has never been more urgent, yet the disdain for strategic analysis has never been greater under an administration that favors bluster and impulse over disciplined policy. What is needed is not an elegant “grand strategy” statement of the kind that so often appeals to expert pundits but a disciplined and nimble strategy that recognizes the limits of both power and prescience, proceeds from a sense of enduring national interests, and matches resources to realistic objectives.
Conclusions: Getting There from Here

Strategy needs to start at the top, but it will not go far without senior officials who are experienced strategic thinkers. And building strategy often requires major adjustments in government capacity, given that any strategy is implemented by hundreds or thousands of lower-ranking officials.

We conclude with more questions than answers.

*How can we recruit and better prepare a new generation of strategic thinkers?*

As an example, the Foreign Service pays little attention to this in its recruitment and selection process, and it pays almost no attention to it in early training. The A-100 course for entry-level FSOs lasts a mere five weeks and contains no substantive training in strategy or statecraft. Contrast this with the German foreign office, which gives new officers up to three years’ training before taking up their first post, or the Japanese Foreign Ministry, which sends new officers abroad for a master’s degree. The CIA does better, and its entry-level Career Analyst Program lasts half a year. It, though, concentrates on basic writing and analytic skills, and on navigating the agency itself.

The State Department does little to produce or prepare strategic thinkers. Strategic thinkers do emerge, either because of their individual talents or because they were lucky enough to work for senior people who helped groom them. But unlike their military counterparts, who routinely are required to take a full year away for advanced training at least twice in a career, very few FSOs are given such an opportunity, and the few that are, most often are sent to the War College, with the result that diplomats learn strategy from the military rather than the other way around.

*How can we better develop strategic skills as officials rise through the ranks?*

Army officers routinely are afforded a full year off at least twice in a career to hone their skills as rising leaders. Indeed, the army builds a 15 percent “float” into its budget, meaning it has 115 percent of the staff capacity needed, giving it the slack to afford
officers regular training. Neither the Foreign Service nor the intelligence agencies have anything comparable.

**How can we correct the over-militarization of strategy in our government?**

Military leaders tend to be Clausewitzian: they take objectives set by civilian authorities and then seek to use overwhelming force to achieve decisive victory. Yet the strategic challenges our country faces rarely translate into a zero-sum, victors-and-vanquished calculus. What does it even mean to “defeat” ISIS? Winning and losing is not the language of statecraft, which seeks to produce stable arrangements that yield a sustainable international order. This is the perspective that needs to drive the government, and it requires that civilian agencies, especially the State Department, recover their primacy in strategic planning.

**How can we strengthen the role of strategic intelligence analysis in the formulation and implementation of national policy?**

The fateful decision to invade and occupy Iraq in 2003 was made without consideration of the warnings given by the U.S. Intelligence Community in two Intelligence Community Assessments in January of that year, and decisions taken along the way were little informed by intelligence. Policymakers understandably want intelligence to help them implement their policies, but whether they know it or not, they also need intelligence as a check on their ambitions. Intelligence needs to be better and more deeply embedded in the decisionmaking process, imposing a discipline on policymaking and intelligence analysis alike.

**How can we create an interagency strategic planning function?**

Outsiders are often astonished that our government does not have such a function; rather, strategic planning is done separately by individual departments, with the result that issues are joined only at the level of policy, when positions are already hardened. There have been various efforts to create such a function. One promising model is to form a group comprising the NIC Chair, heads of policy planning at the State Department, OSD, and the JCS, and a few other relevant planning heads, chaired by a deputy national security adviser. The group would tackle a limited set of issues deemed ripe for strategic review, prepare a set of options, and fold this back into the formal NSC system at the deputies level. Variants of such a model were actually launched in 1993 and 2004 but both collapsed after a single meeting, in the first case because of full schedules and in the second because of the opposition of cabinet principals. It should be reconsidered.

**How can we “bridge the gap” between policymakers and strategists inside government and experts outside?**

Policymakers and analysts within government often focus on near-term policy at the expense of strategy; outside experts often conceive of “strategy” as something proceeding from a grand idea (preferably their own). These two worlds need to come together. Strategy is not static; it is a dynamic, interactive, and intensely political process. As
Eisenhower once said, “Plans are nothing; planning is everything.” There are several individuals and groups working on “bridging the gap”; their work needs to be distilled and made a regular feature of the way our government does strategy.

Let us also acknowledge some things that our government does well and be sure to preserve those. U.S. policymaking benefits from the ability to bring in from outside government experts from academia, think tanks, law firms, and elsewhere. These “irregulars” serve for two or more years on the NSC staff, the State Department’s policy planning staff, the NIC, or elsewhere. It is a feature of our government that foreign diplomats often mention with admiration and envy. Another positive is the role the NIC has traditionally played in providing strategic intelligence analysis, yet there are signs that this role is being eroded. It needs to be reaffirmed and strengthened.

Knowing when and whether to act calls for good strategic analysis, understanding the interaction among many moving parts and making sound judgments about where they will (or might) lead two, three, four steps down the road. It is that capacity that is being severely eroded. Our foresight and judgment over the past half century were far from perfect, but we got some things right, often thanks to good strategic intelligence. And we can do so in the future.
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