A publication of the

ATLANTIC COUNCIL

The Task Ahead

Memos for the winner of the 2012 presidential election

With contributions from:

Josef Ackermann
Madeleine K. Albright
Victor L.L. Chu
Chuck Hagel
James L. Jones, Jr.
Brent Scowcroft
and others

Contents

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Capturing the challenge

By Frederick Kempe
President and CEO
Atlantic Council

Charles Dickens, in his *A Tale of Two Cities*—set during the French Revolution and at the dawn of the Industrial Age—summed up the situation in a manner that also captures the range of challenges facing whoever is elected as U.S. president this November:

> *"It was the best of times, it was the worst of times...it was the age of wisdom, it was the age of foolishness...it was the spring of hope, it was the winter of despair...we were all going direct to Heaven, we were all going direct the other way..."*

We don't yet know who will sit in the Oval Office on January 21, 2013, but we do have a good idea about the firestorm of issues he'll face. The transformational period we're about to pass through has the potential to be as dramatic as that of the political and economic upheavals of the late eighteenth century, and thus electoral choices have outsized importance.

It is for that reason we summoned, from the impressive Atlantic Council community, a list of authors who have written more than their share of memos to previous presidents of both parties.

They include former Secretary of State Madeleine Albright, Lieutenant General Brent Scowcroft, General James L. Jones, and two-term Nebraska Senator Chuck Hagel, the Atlantic Council's chairman.

Their input ranges from the advice of Zal Khalilzad, our former ambassador in Iraq, on how the next President can promote positive change in the Mideast, to the recommendations of our former ambassador to Moscow, Tom Pickering, about how to manage relations with Vladimir Putin's Russia. From Europe, Josef Ackermann—one of the world's premier financial minds—outlines how the West can avoid a decade of deflation, underemployment and stagnant growth. From Asia, Victor Chu sees historic opportunities with China.

We publish these papers now because we want to enrich the debate during an election campaign that we fear will provide mostly heat when we need light.

No single volume can capture all the worthy authors and issues, but we thank those who contributed here. A particular thanks to Bruce Mosler, our board director and chairman of Cushman Wakefield who, with Atlantic Council senior adviser Harlan Ullman, inspired and co-chaired this project. ■

Creative solutions for U.S. foreign policy challenges

By Bruce Mosler
Project Co-Chairman
with paper contributor
Harlan Ullman

Political pundits have described each and every presidential election as decisive and/or crucial to determining the fate of the United States. Arguably, the 2012 elections can be looked at as a moment when our country is at a crossroads of soaring debt, slow GDP growth, and anemic employment numbers. However, perhaps less visible but equally important to the future of the United States is the course of international events.

The purpose of these papers is to foster conversation, debate and, with a degree of optimism, to find some creative solutions to the challenges that America faces in a global environment. It is more important than ever before that the American electorate be exposed to a thoughtful, nonpartisan debate on the major international issues in order to make a more informed decision about the future leadership of our country.

As a result of this, I have offered my strong support to this project in the expectation that through the course of informed conversation we can assess and identify solutions to the most challenging international issues that are likely to face the winner of this November's presidential election. To be clear, we count among our contributors a bipartisan list of top-flight experts, all of whom have rich experience in advising presidents on major foreign policy issues.

It is our clear goal that these thought-provoking memos will help to shape the foreign policy debate on the campaign trail and ultimately offer new ideas that are implementable and executable in the near future.

The challenges and the opportunities are too great to do otherwise. I am pleased that these papers will serve as a flagship project of the Atlantic Council's new Brent Scowcroft Center on International Security. The Center's nonpartisan orientation and goal of bringing America's allies, partners, and friends into the U.S. policy conversation will make a valuable addition to the international debate in the decades to come.

I hope you read these memos with care because, most importantly, their value is what each will contribute to the foreign policy debate this campaign season. ■

The challenge of change

American leadership was hugely successful in shaping the modern postwar world, but the forces of change are gathering pace, and today a different type of strategic thinking is required. American foreign policy needs to move from a more military orientation to one that takes the new complexities into account and focuses more on economic strength and energy security, and on fostering partnerships and alliances of common interests

By Senator Chuck Hagel

A new world order is being built today by seven billion global citizens.

America's responsibilities in this new world and to future generations are as enormous as they are humbling. The challenges and choices before us demand leadership that reaches into the future without stumbling over today. They also require challenging every past frame of reference.

Sensing the realities and subtleties of historic change are not always sudden or obvious. As former Secretary of State Dean Acheson recounted, "Only slowly did it dawn upon us that the whole world structure and order that we had inherited from the 19th century was gone and that the struggle to replace it would be directed from two bitterly opposed and ideologically irreconcilable power centers."

Staying a step ahead of the forces of change requires an ability to foresee and appreciate the consequences of our actions, a willingness to learn the hard lessons of history and from our own experiences, and a clear realization of the limitations of great power.

Acheson and the Wise Men of that time got it right. America led the shaping of the post-Second World War world order through strong inspired leadership, a judicious (most of the time) use of its power, and working with allies through alliances and institutions. This has helped prevent a Third World War and a nuclear holocaust.

The world we face in 2012 is of a different character than even a few years ago. Many developing nations are fragile states and are under enormous pressure from terrorism, endemic poverty, environmental challenges, debt, corruption, civil unrest, and regional, tribal, and religious conflicts. The result is a climate of despair, and potential breeding grounds for radical politics and extremism.

A successful American foreign policy must include thinking through actions and policies, and how uncontrollable and unpredictable global forces may affect outcomes. Eleven years of invasions and occupations have put the U.S. in a deep hole and mired us down in terribly costly commitments in blood, treasure, and prestige. Our diplomatic and security flexibility has been seriously eroded by many of the decisions of the last eleven years. Too often we tend to confuse tactical action for strategic thinking.

A matter of mutual understanding

American foreign policy has always required a principled realism that is true to our values as we face the world as it really is in all of its complexities. We need to accept the reality that there is not a short-term solution to every problem in the world. What we must do is manage these realities and complex problems, moving them into positions of solution possibilities and resolution.

American foreign policy has always dared to project a vision of a world where all things are possible. If we are to succeed, we must understand how the world sees us. Turn on our receivers more often and shut off our transmitters. This is a vital priority for a successful 21st century foreign policy.

We must also avoid the traps of hubris, ideology and insularity, and know that there is little margin for error with the stakes so high in the world today.

America must strengthen its global alliances. Common-interest alliances will be required in a volatile world of historic diffusions of power. The great challenges facing the world today are the responsibility of all peoples of the world. They include cyber warfare, terrorism, preventing the proliferation of weapons of mass destruction, regional conflicts, prosperity and stability, and global poverty, disease and environmental degradation. Our allies throughout the world share these same challenges and threats and will also be just as affected by the outcomes. These will be either our common successes or our common failures. America cannot be successful with any of these challenges, without sustained partnerships and deep cooperation in the economic, intelligence, diplomatic, humanitarian, military and law enforcement fields.

The centrality of alliances and multi-lateral institutions to a successful foreign policy is fundamental. Alliances and multi-lateral institutions must be understood as expansions of our influence, not as constraints on our power. Alliances are imperfect, as are all institutions. But like "process," they help absorb shocks.

Beyond military solutions

Alliances must be built on solid foundations to handle both routine and sudden unforeseen challenges. Crisis-driven "coalitions of the willing" by themselves are not the building blocks for a stable world. We need to think more broadly, deeply and strategically.

American military power and force structure cannot sustain its commitments without a shift to a more comprehensive strategic approach to global threats and a more flexible and agile military. Cyber warfare is a paramount example of these new threats.

The perception of American power around the world must not rest solely on a military orientation or optic. There must be an underlying commitment to engagement and humanity. Engagement is not appeasement, nor is it negotiation. It is not a guarantee of anything, but rather a smart diplomatic bridge to better understanding and possible conflict resolution.

Common-interest alliances will be required in a volatile world of historic diffusions of power

American foreign policy must reflect the realities and demands of the global economy. The global economy cannot be shut out of foreign policy. There can be no higher priority for America than to remain economically competitive in a world undergoing a historic diffusion of economic power. A nation's strength is anchored to and underpinned by its economic strength. The connections between America's trade, economic, and energy policies must also be synthesized into a strategic vision for American foreign policy that not only meets the challenges of our time, but frames the completeness of long-term policies for strategic future outcomes. Trade is a major catalyst for economic strength and growth at home and abroad, as well as a critical stabilizer for world peace and prosperity. America must remain the global champion of free, fair and open trade. As the world's strongest, largest and most dynamic economy, America must continue to lead world trade. Economic strength must be as high a priority as any other foreign policy priority.

America's security and growth are connected to both the American and global economies. A centerpiece of this security is energy security. Energy security and energy interdependence are interconnected parts of a broad and deep foreign policy paradigm that frames the complexity of the challenges that face America and the world.

A diverse portfolio of energy that is accessible and affordable is the core of America's energy security. Much of the world's energy is produced in countries and regions that are consumed by civil unrest, lack of human rights, corruption, underdevelopment, and conflict. The price of oil is driven by supply and demand and the global market. We must ensure diversification of sources of supply and distribution networks to prevent undue dependence on any one country or region. Instability and violence disrupt supply and distribution and increase prices.

Shaping change

The risks that the world faces today are great, but so is the capacity to deal with them. America must not fear change, but rather embrace it and help shape it, and with our partners help lead the world to a higher purpose of peace, opportunity and dignity for all. Challenge and response are sources of strength.

The American image in the world will require continued repair. The coin of the realm for any leadership will always be trust and confidence.

Peacekeeping initiatives are a key element of US strategy when it comes to international relations

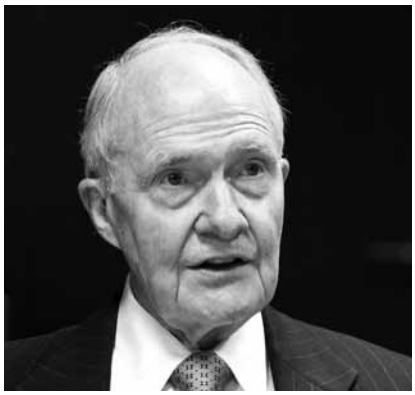
Without it, there is no leadership.

A wise American foreign policy for the early part of the 21st century is one that realizes that we enhance our standing in the world not just through our power, but through our purpose; understands that great power has its limits, and that we must share the heavy responsibilities of world leadership with our allies; appreciates that together we can shape the interconnected realities of the world into workable and positive actions that benefit all peoples; listens to our friends and understands their interests; understands the dangerous forces that will continue to influence a complicated interconnected world; has learned the disastrous lessons of invasion and occupation; and balances our policies and actions with an honest present and future perspective. ■

***Senator Chuck Hagel** is chairman of the Atlantic Council. A former two-term senator representing Nebraska (1997-2009), Hagel was a senior member of the Senate Foreign Relations and Intelligence Committees. He is currently co-chair of President Obama's Intelligence Advisory Board and a distinguished professor at Georgetown University*

The Atlantic Alliance transformed

The success of NATO's intervention in Libya demonstrates how effective the partnership can be in tackling overseas contingencies. For the Alliance to remain relevant, however, the United States will need to encourage reform of the alliance, and NATO must strengthen its strategic dialogue with the emerging powers and foster combined approaches if it is to meet tomorrow's global security challenges



By Brent Scowcroft

As the U.S. inclination and ability to act unilaterally decline, the North Atlantic Treaty Organization becomes an even more vital tool for foreign and defense policy. However, NATO will only be relevant to new U.S. strategic priorities and geopolitical realities if it changes the way it does business.

Despite flaws in its execution, the ultimate success of NATO's Libya campaign may serve as a model for Alliance operations in the future by working closely with key regional partners and acting as a coalition of the willing within NATO structures. For this model to work effectively in the future, NATO will need to transform its internal processes to become more flexible and adaptable, and the Alliance will need to build a broader and deeper array of global relationships for an uncertain world.

Lessons from NATO's Libya success

NATO's 2011 intervention in Libya was flawed but ultimately successful. The Alliance—and by extension the United States—achieved its objectives with no allied casualties, minor collateral damage, and limited U.S. engagement.

As President, you may wish to consider how the Libya operation provides a model for how the Alliance can operate in future contingencies as it winds down from over a decade of combat in Afghanistan.

Specifically, NATO responded to calls from a regional organization to intervene; secured United Nations authorization to act; rapidly integrated critical regional players into its mission; acted as a coalition of the willing using NATO structures; and relied upon allies and partners to lead combat operations. As you think about the future of the Atlantic Alliance and how to maximize its relevance for future U.S. foreign policy objectives, and as you weigh our own declining appetite and resources to act alone, it would be useful to take into account the following lessons from the Libya mission:

First, NATO remains the world's only institution capable of rapid and effective multilateral military action. When the United Nations Security Council passed Resolution 1973 calling for the protection of civilians and the Arab League called for international intervention, NATO was the only multilateral institution capable of undertaking the operation.

Second, many regional partners are seeking a deeper relationship with NATO to safeguard their security and enhance their global role, rather than engage in one-off, ad-hoc coalitions of the willing. Claims from skeptics that NATO's intervention would be politically toxic in Libya were proven wrong. Critical partners in the Libya operation included the Arab League as well as the Gulf Cooperation Council, whose members have enjoyed long-standing partnership programs with NATO.

These partners bring global credibility, a regional blessing,

Libyans celebrating the fall of Gaddafi in front of the White House were testament to NATO's successful operation

Strategic dialogue with emerging powers such as China will be vital

and local capabilities to Allied operations and efforts.

Third, not all allies may choose to participate in discretionary non-Article 5 operations. Only eight of the twenty-eight NATO allies chose to participate in launching air strikes in Libya, while some allies participated in different ways, and still others—most notably Germany—chose not to participate at all. Differences in interests, capabilities, and strategic culture may produce similar divisions in the future but, as Libya demonstrated, that need not automatically preclude willing allies from using NATO assets and structures to accomplish the mission.

Libya demonstrated that more than two decades after the collapse of the Berlin Wall, the Alliance can remain a vital and relevant tool for your presidency. For it to remain relevant, your administration will need to demonstrate leadership in NATO to convince the allies to embrace a more ambitious partnership agenda and undertake reforms to NATO's decision-making processes.

A partnership agenda for the future

As President, you will be faced with a range of challenges that are covered amply in this compendium, including Iran, Afghanistan and Pakistan, economic competitiveness, the rise of China, and other urgent priorities.

NATO reform certainly cannot compete with these urgent challenges as a foreign policy priority of your administration. However, because the United States cannot fully address the challenges listed above unilaterally, your transatlantic allies will be the most effective partners in achieving your foreign policy goals.

At the same time, the emergence of new powers and global challenges means that the Atlantic community must develop closer linkages to partners outside the Euro-Atlantic area who can help address the challenges of a globalized world. Doing so with your European allies will be much more effective than the United States trying to do so without them.

NATO should remain an Atlantic alliance and should not consider global membership, as some called for several years ago. However, based on the lessons of Libya, it should strengthen its relationships with key regional bodies, international organizations, and major states around the world. Proactively forming partnerships and strengthening existing relationships will ensure that the Alliance is best equipped to act quickly and effectively if called on to intervene in a global security crisis.

In particular, NATO should strengthen its partnerships with the following major regional organizations:

- ***Arab League:*** Turmoil and instability in the Middle East are likely to increase during your term. The crises in Libya and Syria have brought about greater coherence and activity from the Arab League in offering political leadership on regional crises, but its members still largely lack capability to provide effective action. In the case of complex military operations, the Arab League would still need to call on NATO or NATO members to act. NATO should enhance its political engagement with the Arab League, whose support would be critical in any future intervention or NATO peacekeeping role in the region.
- ***Gulf Cooperation Council:*** Both the United States and its top European allies have major strategic interests in the security and stability of the Persian Gulf. In particular, Iran is a common threat to many members of the Alliance, as well as to the members of the GCC. Leading GCC members such as the UAE, Qatar, and Jordan have experience working with the Alliance and are eager to expand their partnerships with NATO. Your administration

should make the strengthening of these partnerships a top priority.

- ***African Union:*** NATO's European members in particular have every interest in enhancing the capability and capacity of the African Union to address regional crises. NATO can make a significant impact on training and security sector reform in Africa at a relatively low financial and political cost to its members.
- ***ASEAN:*** As the United States focuses more of its strategic attention on Asia, it should encourage the Alliance to strengthen its dialogue and interaction with ASEAN. Doing so will keep the United States' transatlantic partners involved in strategic questions of the Asia-Pacific region and strengthen the multilateral approaches to the complex problems looming there.

In addition to its relationships with key regional organizations, NATO will also want to consider how it can best enhance important bilateral partnerships. NATO's bilateral partnerships fall into two categories: operational partners and emerging partners.

Deepening operational relationships: NATO's operations in Afghanistan and Libya have created particularly strong ties with key national contributors outside the Alliance from Europe to the Middle East and Asia. With NATO's operations in Libya complete and coming to a close in Afghanistan, the Alliance must think about how best to preserve these close relationships with key operational partners in the years to come. NATO should focus in particular on how to maintain interoperability with these contributing partners and better integrate them into its strategic discussions at the North Atlantic Council in advance of any future operations, so that they share in the planning of contingencies where they may participate. NATO's emerging 'Smart Defense' framework might be one such approach.

Strategic dialogue with emerging powers: NATO should strengthen its strategic dialogue and consultation with the emerging powers that are likely to take on a greater share of global governance in the decades to come.

These conversations with countries such as Russia, China, India, Brazil, Indonesia and others will not be easy nor readily produce results, but they will be important in building trust, transparency, and fostering joint approaches to the common challenges of a globalized world.

NATO's tradition of operating by consensus has become more complex as the Alliance has expanded

Reforming NATO decision-making

A second priority of your administration should be to encourage reform of NATO to allow the twenty-eight-member organization to best address the security challenges of the future.

NATO's tradition of operating by consensus has become more complex as the Alliance has expanded its membership and as it faces an array of nontraditional security challenges that do not threaten all members equally.

The Alliance should change the way it addresses crises at the North Atlantic Council to avoid paralysis in the face of complex and fast-moving security challenges. When faced with a crisis, the North Atlantic Council should consider the following alternatives:

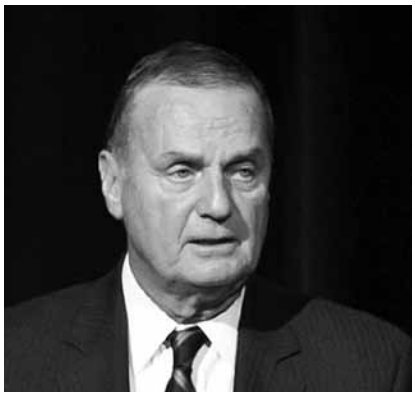
- ***NATO acts as twenty-eight.*** In situations where the Alliance invokes Article 5, or where all members otherwise feel compelled to act for reasons of solidarity, such as in Afghanistan, NATO can decide that it wishes to act as twenty-eight, as envisioned by the Washington Treaty.
- ***NATO as a coalition of the willing.*** In crises that have disparate impacts on Alliance members, NATO can decide that the crisis is of interest to the Alliance, but not all allies wish to participate in the operation. In this case, NATO command and control and assets can be used in the operation, as was the case in Libya. This means of operating is likely to be the future template for action for the Alliance in crisis management operations.
- ***NATO declines to act.*** In situations where several key NATO members object to military action, the Alliance can decline to act as an Alliance to address the crisis. That would not preclude individual members, including the United States, from acting unilaterally or in conjunction with other willing NATO states.

If the United States leads NATO to undertake these important efforts, then your entire foreign and security policy agenda can become easier to accomplish. ■

***Lt. Gen. Brent Scowcroft** is chairman of the Atlantic Council International Advisory Board and president and founder of The Scowcroft Group. A former two-time national security advisor to Presidents Gerald Ford and George H.W. Bush, Scowcroft also served in the United States Air Force*

Economic competitiveness and U.S. national security

The United States must bolster the presence of America's highly capable but under-deployed private sector in strategically key regions of the world in order to enhance diplomacy, improve foreign relations and, in turn, safeguard U.S. national security



By General James L. Jones, Jr.

As America considers its global strategy in this still young and opportunity-filled century, we have the chance to deploy a potent but under-utilized asset. This is our nation's vast and highly capable private sector. U.S. businesses and NGOs can help to enhance diplomacy and improve foreign relations, filling the vacuum as our uniformed presence is readjusted after a decade of military and civil reconstruction in Iraq and Afghanistan.

In 'pivoting' ourselves to better face emerging global trends and an evolving security environment, it is logical to attempt to increase America's influence by capitalizing on the enormous potential of our private sector. Doing so is imperative in this era of global economic integration in which prosperity and security are inseparable. Today, entrepreneurs, investors and innovators are as instrumental as diplomats, generals and politicians in winning friends and influencing attitudes at the all-important grass-roots level of the global community.

Background

Many allies, friends and influential parties in strategically vital regions of the world (the Middle East, South Asia and Africa) remain eager for economic engagement with the U.S. More often, however, they find the Chinese knocking at their door. China's 'go-out' strategy is increasing its global influence and competitiveness in up-and-coming regions while America's economic engagement in many of these areas is slipping behind. Increasingly, leaders in these regions are asking: "Where is America?"

President Barzani of Iraq's Kurdistan region gave powerful expression to the dynamic recently, noting that "four American companies (in Kurdistan) are worth two Army divisions" when it comes to building goodwill and sustaining influence. Yet he remains frustrated by the relative absence of the U.S. private sector and by obsolete U.S. policies that impede greater American business engagement in a region which has been defined by many as "the next Dubai."

Partly, the absence of America's private sector from less-developed but strategically key areas is the result of market factors and a high level of risk aversion on the part of mature enterprises. The problem, however, is deepened significantly by 20th century impediments erected by the federal government for a world that no longer exists. These range from specific policies, such as over-restrictive travel restrictions that discourage economic interaction, to more general and pervasive problems such as the reflexive distrust and adversarial approach that government too frequently adopts in dealing with the private sector.

In today's global economy and complex security environment, our public and private sectors must work together to advance U.S. interests and

The U.S. must ensure its entrepreneurs, investors and innovators are not pushed out by foreign competitors in regions of strategic political significance

values abroad. This memo suggests strategic areas where we should focus on bolstering U.S. private-sector presence and identifies steps that we can take to foster better positioning.

Kurdistan: the people of Iraq's Kurdish region love America. Kurdistan is a stable, secure and flourishing semi-autonomous region that possesses significant natural resources. America has a long history with the Kurds dating back to Operation Provide Comfort in 1991, when a U.S.-led international military mission rescued the Kurdish population from possible genocide at the hands of Saddam Hussein. The Kurdish Regional Government, now the governing authority in Kurdistan, very much desires the investment and presence of U.S. companies. But with only a few exceptions the response has been disappointing.

In pulling our troops out of Iraq, where we have sacrificed so much, without a comprehensive strategy to fill the vacuum of influence that is left, we would suffer a monumental loss of face. The vacuum would be filled by those who are in opposition to our interests. This would be a grave strategic error.

Our interests in the Middle East are today more significant than ever. The Arab Spring can change the region in a positive way for a long time to come. The potential benefits, however, bump up against numerous dangers, including those posed by Iran's nuclear ambitions, threats to the flow of oil from the Persian Gulf, and the abject failure of the Middle East Peace Process to date.

It is in America's national security interest to obtain influence on every front possible in this strategically consequential region – from Kurdistan to Arab Spring countries such as Libya and most certainly in Syria when the ruling tyrant is forced to depart. The engagement of our private sector with Middle East countries and regions hungry for economic partnership with the United States can help to increase our influence by building relationships at the grass-roots level where they are most enduring and conducive to international harmony. The risk lies in not having a strategy to deal with each instance as it happens.

Security, economic development, and a rule of law that reflects the will of those that led these revolutions are the three pillars upon which long-term success must be built. The United States has a great opportunity to lead an international effort that can rapidly respond to the demands of the people and avoid the Arab Spring upheavals being captured by radical elements that happen to be better organized, but do not represent the will of the people.

African opportunity

In the case of Kurdistan, fears that the engagement of American-owned companies will undermine America's 'One Iraq Policy' are ill-founded. On the contrary, the ability of the Kurdistan Regional Government to demonstrate what is possible when government and society create a safe, stable and welcoming environment for domestic enterprise and foreign partners will serve as an instructive and inspirational model for the whole of Iraq. At the very least, it represents an opportunity to send a strong message to the Maliki regime that its flirtations with Iran and support of Syria are not what we had in mind when we liberated Iraq from Saddam Hussein.

Africa: The strategic importance of Africa is clearly on the rise. The region is rich in human capital and natural resources, and offers unmatched potential. Recognizing these realities, the Chinese, in particular, are highly active diplomatically and economically on the continent. While China applies a full-court press for influence and economic engagement, we are perceived as content to adopt a relatively passive posture with regard to competing on the continent. As President Kagame of Rwanda commented recently, "It's interesting to note that as America pivots towards Asia, Asia is pivoting toward Africa." If America ignores the staggering opportunity in Africa, others will fill the void. The consequences of our inertia will be felt in still more losses of American jobs, an increasing absence of strategic relationships, and the erosion of goodwill that could otherwise be within our grasp. Let there be no mistake: Africa wants the United States to be "present and not absent."

This is a pivotal time for Africa. It is an enormous continent that can be influenced either by China offering a troublesome model of state capitalism and the subordination of human rights to political objectives, or by the United States and Europe, possibly offering a better future based on free enterprise, competitive markets and fundamental human rights. The decision to establish the U.S. Africa Command (USAFRICOM) was based on an understanding of the continent's strategic importance and the need for us to engage more rigorously at both the civilian and military levels. If this engagement is to be successful, it must include the energetic participation of the U.S. private sector, which is uniquely suited to bring beneficial investment, trade and economic development to the table.

Africa, every bit as much as Asia, represents the competitive battleground of the future. The sooner we realize this fact, the sooner we can adjust our global strategy to commit the full weight of our national influence to this continent.

Eastern Europe: NATO has welcomed into its fold new members from Eastern Europe, countries that love freedom, respect America and

U.S. private sector involvement can help to prevent radical elements from exploiting the Arab Spring

are eager to participate in the global economy and embrace modernity. The United States has enormous national interests at stake in fostering the maturation of these countries and solidifying our political and economic ties with each of them. The nations of the former Soviet Bloc have wide-ranging needs and offer tremendous opportunities as their people continue their journey from oppression and poverty to freedom and prosperity. Again, our private sector can play an instrumental role in facilitating this journey, developing closer strategic ties and winning for America greater influence that will pay dividends for many years to come.

The U.S. government has the need, the opportunity and the capability to foster greater private-sector engagement in strategically vital areas around the globe. Here are some specific steps the U.S. government can take to facilitate economic diplomacy as an enabler of national influence and foundation for goodwill abroad:

- Better integrate the private sector into diplomatic strategic planning, programs, priorities and operations;
- Ensure that the private sector has a forum for providing input and support to combatant commands and U.S. country teams;
- Bolster State Department efforts to identify market opportunities and partnership for the U.S. private sector in key strategic areas abroad;
- Improve the Commerce Department's process for approving ambassadorial advocacy for firms seeking work and contracts overseas;
- Sponsor regional trade and investment fairs at home and abroad with an emphasis on areas where the U.S. private sector is underrepresented and our strategic interests are significant;
- Increase the tempo of U.S. trade missions to key strategic areas;
- Vigorously pursue trade promotion, market access, and investment liberalization arrangements between the U.S. and strategically vital countries;
- Improve the agility and resourcing of our export promotion and financing effort to expand economic engagement abroad energetically, appropriately and sustainably;
- Exercise presidential leadership to set a tone strongly supportive of government's legitimate and important role in promoting the U.S. private sector's interests and engagements internationally;
- Embark on a complete overhaul of our Export Control laws and policies to enhance American companies' ability to compete with the globalized world.

Conclusion

In sharp contrast to the 20th century, we now live in a multi-polar world, one which we largely created as a result of the enormous sacrifice of two World Wars and the vision that ensued. With the demise of the Soviet Union, the 20th century world has disappeared. We now face new challenges to our accustomed role, but these do not mean that we cannot be just as successful in this new century as we were in the last. It will take work, discipline, tenacity and vision by all of us. For those upon whose shoulders falls the mantle of leadership, more will be asked. The nation will demand that our leaders make decisions for the common good and that they set the example by how those decisions are made. There is no doubt that the world still wants and needs America; the question today is whether America is able to rise to that challenge. The answer will be determined by our elected leaders and by the courage that they demonstrate in tackling issues that all Americans know must be addressed.

When a nation cannot bring itself to take on the issues it knows it must address for its own good, then surely that is the first true sign of decline. We should never let that happen. ■

***General James L. Jones, Jr.** is chairman-designate of the Scowcroft Center on International Security at the Atlantic Council. He most recently served as national security advisor to President Barack Obama. General Jones was also supreme allied commander Europe and commandant of the Marine Corps*

Supporting democracy

Democratic values belong at the heart of U.S. foreign policy. The defining struggle of the 21st century will not, as many have predicted, be a clash of religious civilizations. It will emerge instead as a competition between democratic and autocratic systems of government. This is a contest the United States should welcome, provided we retain the high ground earned through our painstaking history of renewal and sacrifice

By Madeleine K. Albright

America's most valuable contribution to democracy is and always has been the successful implementation of freedom at home. If our country had grown up in despotism, the world would be a different and far bleaker place. Today, such attributes of the U.S. system as free and peaceful elections, an independent judiciary, civilian control of the military, diversity in positions of authority and an unfettered Internet and press remain a source of inspiration to others. The accompanying caution is that, especially in this plugged-in world, the power of our example will wax or wane in parallel with the performance of our institutions and the loyalty we demonstrate to our own ideals.

During the Cold War, Communist propagandists delighted in America's slowness in guaranteeing equal rights to its minority citizens. Today, our example is undermined less by perceptions of discrimination than by the appearance of paralysis in addressing economic problems. Surveys indicate that the average Chinese is far more optimistic than the average American (or European) and that a majority of U.S. citizens believe our country is headed in the wrong direction. This must change.

The most salutary elixir for American democracy would be an end to the gridlock and pandering that now infect our politics and undermine effective decision-making. This will not happen overnight, but I believe that a backlash is building and that a more mature style of leadership will be rewarded by voters, refurbishing our country's reputation and clearing the way for positive steps domestically and on the world stage.

Supporting democracy abroad requires both confidence and humility. The United States should never consider itself exempt from criticism or an exception to rules that apply to others. But neither should we be reluctant to draw a clear distinction between the merits of a democratic system and one characterized by illegitimate leaders and the chronic denial of human rights.

In promoting democratic values, there should be no limit to our hopes, but our actions should not extend beyond the boundaries of international law. Our policies should take into account the varying challenges faced by democrats in countries along the spectrum between free and unfree. Our methods should begin with moral suasion and the offer of a helping hand, augmented by our Allies and bolstered by partnerships with non-governmental organizations.

The State Department and USAID have excellent supportive programs, as do organizations affiliated with the National Endowment for Democracy (including the National Democratic Institute, which I chair). We should also strongly encourage investment and trade to enhance the economic prospects of fragile democracies.

For supporters of liberty, patience and impatience both have a place. We have learned that free institutions do not spring full-grown from any country's soil. Most nascent democracies face an array of obstacles,

including that of failing to meet lofty expectations. When that happens, the risk is high that charlatans will pounce, promising quick solutions in return for unrestrained power. In fact, a generation or more is typically required to instill habits of effective governance and to harvest the material gains that will lift standards of living.

A long-term view

Accordingly, outside assistance must be sustained over a period of years, and should include both development aid and guidance—where requested—on everything from the basics of public administration to the optimum role of civil society. At the same time, leaders who promise a democratic transition should not be allowed to ward off criticism by offering only token reforms. Is a country truly moving in the right direction or merely running in place? That is a question we should always be prepared to ask and answer.

Majority rule is democracy's cornerstone but also its slippery slope. Populations divided by ethnicity, tribal connections, and religious beliefs may fall apart completely if voting is viewed as an all or nothing proposition. It is natural for those who lose elections to feel disgruntled, yet they should neither fear for their lives nor despair of the chance to do better in future balloting.

That is why the true test of democracy comes less with the first election than with those that come after. The development of an effective parliament is also crucial—both to enact laws and to provide a vehicle for opposition political parties to participate, find their voice, and hold leaders accountable.

For the same reason, the rights of individuals, and those of groups to which individuals belong, must be protected in any democracy, regardless of who prevails at the polls. Emerging democracies must have time to develop unifying characteristics—including a clear sense of nationhood and the formation, which is vital, of a middle class. The process of forging one country out of many factions may seem daunting, but it is rarely impossible. On this point, the experience of Europe and America is instructive, as is the miracle of India; if that land's vast human canvas can thrive as a democracy, so too can any nation.

Discussion of democracy in 2012 and succeeding years will almost inevitably center on the Middle East and thus likely revive a familiar question: Is it wiser to support traditional leadership structures in the hope that they will produce stability or to encourage democratic openings despite uncertainty about where they will lead?

The temptation for policymakers will be to avoid a firm answer, reacting instead on a case-by-case basis. This tendency to hedge bets will be reinforced by pleas from regional leaders, each of whom has a vested interest in his country's status quo. Such a hesitant approach will surely trail the pace of unfolding events and—although intended to minimize risks—actually constitute a gamble on wobbly principles and shaky regimes. People want democracy; the choice we face is to stand with those who block their way, or do what we can to clear the path.

The latter alternative—to make a firm commitment to democracy—may be faulted for promising consistency in a region where every country has its distinctive history, personalities, and culture. Yet failing to establish a general set of benchmarks would leave us without a coherent message at a time when the identities of those who speak up and those who remain silent may be remembered for generations.

Without exception, U.S. and Allied policy should be to support democratic governments and institutions, including the peaceful evolution of nondemocratic regimes. Such a policy should not be seen as abandoning the region's more responsible monarchs, whose position may be accommodated within the framework of constitutional change. Popular representation can be achieved through a variety of means, but the basic right of public participation should be available to all who abide by democratic principles.

We should remember that the alternative to support for democracy is complicity in the rule of governments that lack the blessing of their own people. That policy would betray the Arabs who are most sympathetic to our values and reveal a preference for the sterile order of repression over the rich and self-correcting sustainability of a free society.

Sharing our values

Unless we truly believe that our principles and interests coincide, we can serve neither effectively. We must want for others what we most cherish ourselves: the right to choose our own leaders and to help shape the laws by which we are governed. Far more than any particular personalities or programs, it is that right that defines our claim to leadership and that constitutes the hope of the world. ■

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Fostering sources of growth across the Atlantic

In an increasingly globalized world that is facing formidable issues around public debt, the reform of the regulatory financial framework and free trade, U.S. policymakers could be forgiven for neglecting their relationship with Europe. Although the European Union is in urgent need of addressing fundamental economic and social reforms, there is still enormous scope for transatlantic economic cooperation that would pay dividends for both sides

By Josef Ackermann

In times such as these, amid severe economic crisis in many European countries and persistent troubles in the United States, it may seem misplaced to search for Atlantic sources of growth.

In many nations, a succession of crises has had to be contained, from real estate to banking, from private debt to public debt, from contractions in output and employment to social unrest. This is more a time for crisis managers than for visionaries.

Sustained efforts to reopen the Atlantic sources of growth have yet to blossom. This is understandable.

First, policymakers are still stimulating economic activity via monetary instruments while facing the inevitable fiscal adjustment. Demand-stimulating fiscal policies are hard to pursue if capital markets are no longer willing to fund such programs at acceptable costs.

Doubts about the sustainability of public debt are aggravating policymaking even further in some nations. In the eurozone, the issue of interaction between sovereign debt and bank solvency has not yet been fully resolved. In the U.S., a healthy recovery of real estate has yet to happen, and the return to high levels of employment is still way ahead.

Second, financial regulators are completing the G20 agenda on improving the regulatory framework for global financial markets. Increasing the safety of the industry and resilience to shocks by strengthening capital and liquidity provisions in financial institutions, improving the infrastructure of financial markets, and setting the right incentives for internal structures of financial institutions are occupying policymakers in both the U.S. and the European Union.

Third, international economic diplomacy is at a stalemate. Rather than embracing globalization via better management and institution-building, global governance went astray. There is still no agreement on the Doha Round. Rather, there are outbursts of protectionism, mostly in large emerging markets but also in some industrialized countries. Preferential liberalization occurs but has too little impact.

Policies on climate change

There is still no agreement on the international architecture for limiting climate change or on measures to create a well-designed global carbon market. Policies are improving at the margins but have not delivered the clear, predictable, and long-term political policy frameworks that would propel private investment into sustainable activities. In addition, there is too little deregulation of investment barriers. Service markets remain highly protected outside the Atlantic area. Raw materials, energy production and security-related industrial activity face higher barriers to FDI, too. State ownership of industrial assets and economic infrastructure remains

high in many countries, and proper regulatory frameworks for potentially dynamic services are in short supply. On international monetary issues, steps forward are gradual, and shortcomings are evident in many countries. In short, we are leaving too many opportunities for potential gains unused on the table.

In Europe, the EU has failed to deliver on its goal of establishing a dynamic economic region. Key measures to strengthen the common market and innovation have failed to meet expectations. True, there has been progress on raising labor force participation rates and education levels, but there has been too little improvement in productivity, real incomes and living standards. The same is largely true in the U.S., despite the global success stories of U.S. brands in modern telecommunications, software and media.

There is no easy fix. And yet, re-invigorating growth is a challenge that has to be urgently addressed since distributional conflicts are heating up again and complicating things further.

What options do we have?

First, national reforms are a political prerequisite for European and global progress. While weak nations do not manage to achieve fruitful collaboration internationally, recovering nations may do so. On this score, there is a broad challenge to cope with in the United States. Since the mid-1980s, limits to U.S. economic and social development have consistently been stronger on the political side than on the economic side. Clearly, the challenge is to find a long-term strategy for reinvigorating U.S. sources of growth while managing the imponderables of demographic transition.

Re-invigorating U.S. growth will require consistently higher public and private investment in the skill levels of the population, in physical infrastructure (most prominently in transportation and energy), and in R&D. There is a related need to upgrade the industrial skills of Americans, both workers and entrepreneurs, in modern and traditional fields, to increase investment in those activities, and to boost the competitiveness of the U.S. industrial sector internationally.

Traditional American manufacturing has faced a difficult environment

Managing the demographic transition will require a "coming to terms" with public finance. The U.S. should and will continue to maintain a global role well into the 21st century by providing security to a variety of partners around the world. But it will only be capable of doing so if it can properly finance public spending, substantially improve the sustainability of its social-security system, health care in particular, and reform its system of personal and corporate taxation with a view to better balancing efficiency, distributional effects and revenue levels. The U.S. needs comprehensive and growth-friendly fiscal adjustment on a long-term trajectory. This will require cuts in spending growth—and possibly even cuts in spending in absolute terms —but also changes in taxation.

In most European countries, structural reforms in labor and product markets and in social-security systems are firmly embedded. This holds true for fiscal adjustment as well. Though headline deficit numbers still seem high, strong improvements in structural deficit reductions are under way. But there is still a shortage of initiatives devoted to fostering education, innovation, and productivity improvements through better market regulations.

A larger role for the EU

In revamping efficiency and productivity through better regulation, the EU has to play a larger role. Governments are starting to use the EU for promoting comprehensive reforms in areas of the single European market where rules are out of sync with necessities. There is plenty of room for improvement, from electricity regulation to the digital market and in measures to improve labor mobility.

Meanwhile, too little attention is still being paid to promoting

Future growth may lie in emerging activities such as nanotechnology

green growth through efficient means such as taxing emissions directly or indirectly via trading schemes. A certain amount of scope remains for marshaling EU budget resources towards those goals.

In such an environment, the U.S. and the EU should work together to embrace a number of global initiatives:

First, there is a need to move forward on opening up trade in services—at best globally, but at least across the Atlantic. The first-best option would, of course, be a reopening and successful conclusion of the Doha Round negotiations at the WTO. The second-best option is a broad and comprehensive agreement between the EU and the U.S. on all bilateral trade, investment, and related standards.

There is additional scope for moving forward on issues such as opening-up government procurement markets to international competition, liberalizing key service markets (particularly for business, financial, telecommunication and transportation services), and going beyond the EU-U.S. framework by inviting interested partners to join in.

There is also plenty of scope for enhanced coordination in R&D initiatives with regard to emerging economic activities such as e-mobility and nanotechnology, and for joint regulatory approaches to new business challenges such as data use and protection and other issues.

Realigning the reform agenda

There is also further scope for mitigating global climate change both by addressing the unresolved issues in the international climate protection architecture as well as by adopting comprehensive and mutually compatible domestic initiatives.

Finally, there is a need to bring the G20 financial regulatory agenda to a positive conclusion by aligning EU and U.S. implementation of key parts of the rulebook to such a degree that regulatory arbitrage or a fragmentation of transatlantic financial markets are prevented.

Adopting such a comprehensive agenda based on sound domestic macroeconomic policies, forward-looking microeconomic and foreign economic policies, and appropriate regulatory pathways into modern markets poses major challenges. But the potential results are well worth the effort.

At present, we are witnessing a breakthrough on fiscal adjustment and structural reform in Europe. Yet there are still shortcomings with regard to more comprehensive reforms. In the U.S., output and financial stabilization are progressing well, but fiscal adjustment and structural reforms are lagging behind. In the coming years, a better balance should emerge in both of these two large regions. This would certainly have beneficial consequences for the rest of the world.

Achieving such an outcome is a truly grand project, both for you as President of the United States and for the European Union. Call it the Atlantic Sources of Growth. ■

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Relations with Pakistan: forging a new partnership

As we approach the end of active military operations in Afghanistan, it will be tempting to cut back military and civil engagement in the conflict zone, which includes both Afghanistan and Pakistan. But a diminution of civil and economic ties with both countries would be a mistake. This memo argues in favor of strengthening our ties with Pakistan to encourage improved stability within its borders and provide continued support to our Afghan allies

By Shuja Nawaz

Pakistan is at a precarious point in its faltering return to democratic order, after yet another extended period of military-dominated rule that has left its bureaucratic system and civilian institutions stunted. Its polity and society have undergone rapid change, with countervailing forces emerging to counter the military's overwhelming power. Though political parties remain weak and divided, the democratic impulse appears to be taking hold in civil society, as illustrated by the emergence of active media and social networks combined with an increasingly assertive judiciary. Although elements in the intelligence services still occasionally attempt to control the media and political actors, the military has neither the will nor the capacity to mount a coup, nor the ability to effect major political change.

Public opinion in the U.S. and views on the Hill are heavily biased against a cordial relationship with Pakistan, reflecting years of mistrust of Pakistan's role in the Afghan war. Pakistan's two-handed approach to the Afghan Taliban, taking U.S. assistance and payments for military operations in the borderlands while allowing selected groups of Afghans free movement to and from Afghanistan, hinders the Administration's ability to provide more military aid to Pakistan. On the Pakistani side, suspicions that the U.S. has shifted its stance away from Pakistan and towards India, with the ultimate goal of defanging Pakistan's nuclear weapons capability, make it nearly impossible for U.S. officials and aid representatives to operate freely inside the country. Public denunciation of the drone campaign by government and civil society actors fuels antipathy toward the U.S. Pakistan's Parliament has echoed these fears in its calls for protection of national sovereignty and for greater controls and taxes on coalition supplies going through Pakistan to Afghanistan.

In such an environment, cutting our losses and walking away from the region, and specifically from Pakistan, might seem an obvious —and popular—choice. But such a decision would entail significant longer-term costs. Not only will the withdrawal of forces from Afghanistan require ground and air lines of communications via Pakistan, our Afghan allies will continue to require supplies and air support via Pakistan. Cutbacks in air and military support would be disruptive at a critical stage when their security forces are being prepared to take on more ground operations. Without air support, those might be jeopardized and Afghan morale would plummet.

What happens inside Pakistan affects its immediate neighbors—

Helping Pakistan to help itself should be the key to this new relationship

India, China, Iran, and Afghanistan—instantly, and more distant countries over time. A precipitous U.S. withdrawal could lead to heightened conflict in the borderlands of Pakistan, allowing the Pakistani Taliban and their Punjabi allies to use the Federally Administered Tribal Areas as well as contiguous Afghan territory as sanctuaries in fighting the Pakistani army and state. It would give extremist elements inside Pakistan greater voice and control over public discourse in civil society and the military.

Latent anti-U.S. sentiment in the military, especially among younger officers and perhaps the soldiery, is indicated by the fact that some of the attacks against General Pervez Musharraf and military headquarters included lower-level personnel from both the army and air force.

Large portions of public opinion in Pakistan view the U.S. civil nuclear deal with India as an anti-Pakistan move, and the absence of any attempt to engage Pakistan in a similar dialogue as proof of an entrenched anti-Pakistan bias. A shift toward India, if this were to accompany U.S. withdrawal, would strengthen conspiracy theorists inside Pakistan in their belief that the U.S. always intended to compromise and weaken Pakistan.

The U.S. has been and remains the largest supplier of assistance to Pakistan, both civil and military, and via the International Financial Institutions (the International Monetary Fund, World Bank and the Asian Development Bank, in particular). But our aid program has been sporadic and tied to regional or global aims in a manner that has led Pakistanis to become wary of U.S. ties, understandably regarding their relations with China more kindly. The U.S. has an opportunity now to change that dialogue and move toward a longer-term relationship with Pakistan as the center of gravity of U.S. engagement in the region, rather than as an after-thought relative to emerging regional crises or changing global policies.

The U.S. has an opportunity now to move toward a longer-term relationship with Pakistan

What needs to be done?

Firstly, the U.S. should expand its approach to Pakistan by working with regional partners, many of them Pakistan's friends, to ensure a stable Pakistan and a steady U.S.-Pakistan relationship. Building on the Pew Global Attitudes Poll results that regularly indicate that six out of 10 Pakistanis polled want better relations with the U.S., we can create a steady, longer-term relationship that is not tied to short-term goals.

Helping Pakistan to help itself should be the key to this new relationship. If Pakistan's people and government want to improve governance and provide jobs and education to their growing population of nearly 200 million, then the U.S. should make that its aim too.

Combining our resources with those of the United Kingdom in the education sector, as has been done recently, offers a good model. Working with China in building infrastructure and the energy sector could bolster Pakistan's ability to get out of its

The U.S. Congress may be able to assist the work of the Pakistani Parliament

economic hole. Open borders with India for trade and the movement of people would help to remove decades of fear and hostility on Pakistan's eastern border. Our new strategic relationship with India enables us to use moral suasion on India to show "strategic altruism" and give Pakistan the breathing room for its economic and political development. A moratorium on active Indian and U.S. intelligence operations inside Pakistan would most likely win Pakistan's trust in this endeavor.

Secondly, the U.S. should review and rebalance its policies on aid to Pakistan. Specifically, U.S. assistance to Pakistan can gain from the multiplier effect of aid from IFIs that Pakistan sorely needs and is more willing to accept. U.S. support in the boards of these institutions can help Pakistan to garner the resources it needs to restructure its economy. The U.S. can also help in persuading Pakistan's government and bureaucracy to move faster on the reform path.

An Aid to Pakistan Club may be one way of doing this. The U.S. Congress may be able to help the Pakistani Parliament, via direct parliamentary contacts, to allow Pakistani parliamentarians better understand economic issues and the value of a reform agenda that has been crafted inside Pakistan but still lacks support from its politicians. Congress could thus come to be seen as a partner of Pakistan, rather than the hectoring controller of the U.S. aid purse that it is often perceived to be.

A greater role for civil society

Thirdly, U.S. aid and a strengthened relationship with Pakistan should be made contingent on actions by Pakistan to allow civil society and business to play a greater role in setting it on the path to economic and political stability. The civilian government needs to show a desire and ability to re-establish its control over government, instead of outsourcing decision-making to the military. Once the military recedes into the background, relinquishing its role as default drafter of policy on India, nuclear policy, Afghanistan, and U.S. relations, the U.S. could commit, under an agreed military aid program, to improve Pakistan's ability to combat insurgency and defend its borders with a more mobile and better-equipped army and an improved and integrated police force.

Pakistan is both a strategic ally and a potential bulwark of stability. If its people and government are prepared to align and commit themselves to fulfilling that potential, the United States must be willing to help them. ■

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Enlightened engagement: U.S.-China relations

An upcoming change of top political leadership in China represents a once-in-a-decade opportunity for political leaders, think tanks and learned institutions in the U.S. to engage with China's leaders and institutions to exert a positive influence on its peaceful development and strengthen mutual trust between the two countries

By Victor L.L. Chu

It was Napoleon who said in 1803: "Let that sleeping giant sleep, for when he wakes up, he will shake the world." Napoleon was, of course, referring to China. True enough, the rise (more correctly the renaissance) of China resulting from its remarkable, open-door economic structural reforms over the last thirty years has shaken the world. The U.S.-China relationship is probably the most important bilateral relationship in the 21st century. It is, however, a very broad, complex and multifaceted relationship. Managing a rising China effectively is therefore a huge challenge, but one that also presents an enormous opportunity for the United States.

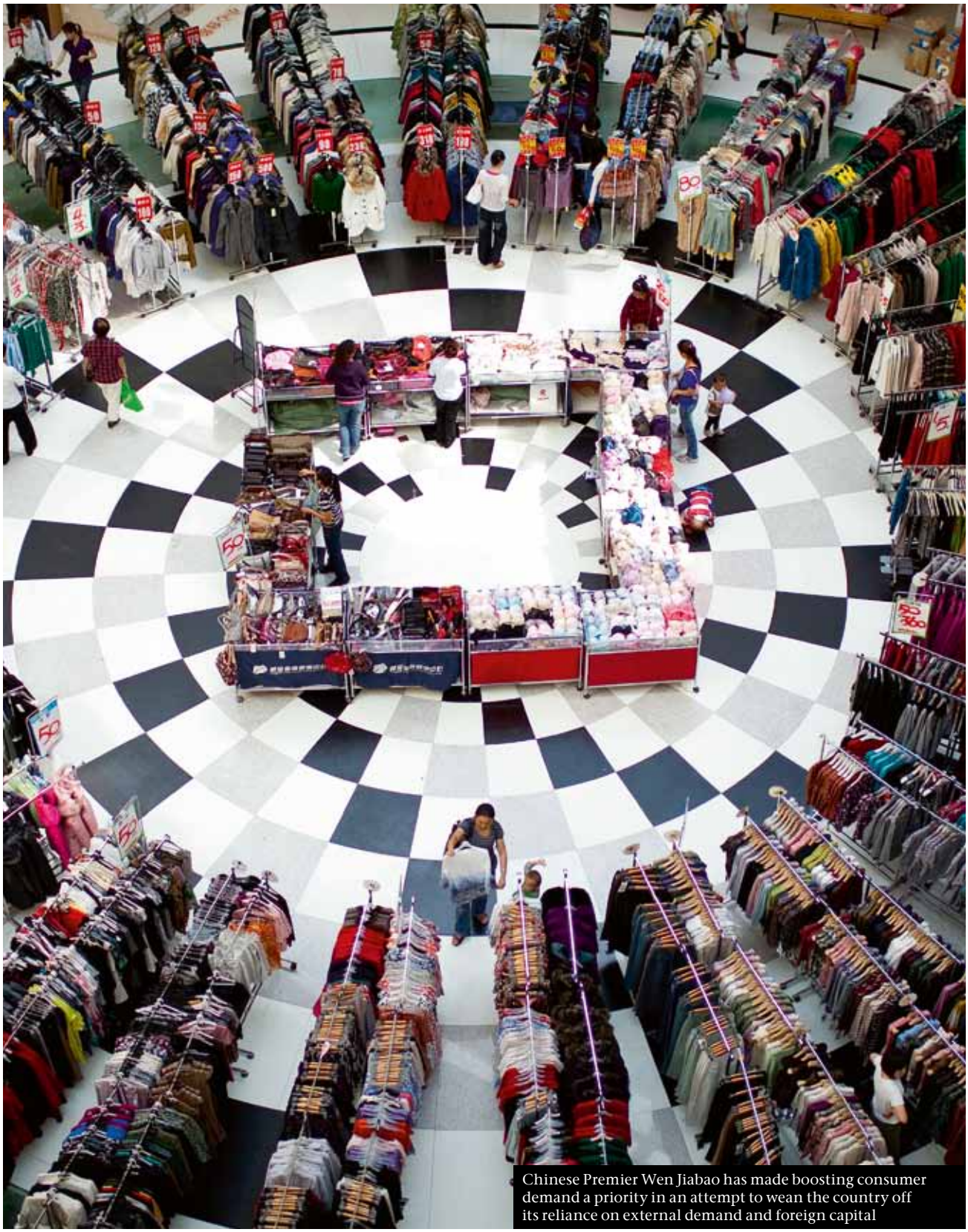
Over the years, China has been variously labeled as America's "partner," "ally," "competitor," "adversary," and so on. The truth is that, at different times and depending on issues, all of these descriptions were correct. The conventional wisdom is that U.S.-China relations "can never be too good, or too bad." In my view, there is now a unique window for the U.S. and China to progress beyond the status quo.

Economically, the U.S. and China are already interdependent. The two countries are the world's largest mutual trading partners, and China is the largest holder of U.S. debt instruments. On major global issues including security, nuclear non-proliferation, environment and the reform of the international financial architecture, the U.S. and China have substantial common interests. It is important for the world's number one and number two economies to deepen their mutual understanding and strengthen mutual trust. The current mechanism of the 'U.S.-China Strategic and Economic Dialogue' can be further strengthened by regional forums between U.S. and Chinese twin cities and states. Focusing on local dynamics and opportunities will stimulate Chinese interest for inward direct investments into the U.S., and therefore support job creation.

Change and new challenges

China itself is in transition. After 30 years of strong economic growth, a large middle class of more than 300 million has emerged, bringing with it many social and infrastructural challenges. The country has been evolving from an old-fashioned, centrally planned economy into a robust, competitive market economy, but with that has come a growing disparity between the haves and the have-nots. China has also been in transition from a governance system based on human relationships ('the rule of man') towards a system based on rules and regulations ('the rule of law').

The challenges to China from these transitional changes, in almost every aspect of daily life, have been phenomenal. As most of these challenges are domestic, China's overriding priority going forward is to maintain social stability. To achieve that, China has the desire



Chinese Premier Wen Jiabao has made boosting consumer demand a priority in an attempt to wean the country off its reliance on external demand and foreign capital

China's strong economic growth has created a middle class of 300 million

(and the need) to build a strong and stable relationship with the U.S., its most important trading partner and counterpart. Externally, China has also been in transition from its historical role as a passive observer to become, hopefully, a more active and constructive player in world affairs. U.S. leaders, as well as think tanks and learned institutions, should position themselves as enlightened friends to support China's growing role in global affairs. China's willingness to play a responsible global role is very positive for U.S.-China relations.

Opportunity for engagement

We will soon know the outcome of China's once-in-a-decade change of top political leadership. The new line-up is likely to include some of the most well-educated and proven leaders in modern China. They are likely to have a better understanding of the U.S. than their predecessors because either they have spent time in the U.S. themselves, or they have children who have been educated at top U.S. universities. They are also part of a generation which is at ease with U.S. culture and thinking.

This is a very good time for U.S. leaders to reach out and build long-term relationships with these incoming Chinese leaders, who could be in office for the next ten years. Recent events in China suggest that after thirty years of extensive economic reforms, political reforms may have to follow to sustain China's desired peaceful rise and development. As friends, U.S. political leaders will be able to provide advice and support, and therefore a positive influence on the direction in which China may progress. Deeper and more active engagement with new Chinese leaders should be a strategic priority for your administration.

Hopefully, we can now move away from often unhelpful domestic political rhetoric in the categorization of relations with China. If the United States is perceived as a friend, China is more likely to be receptive to U.S. advice and guidance in the management of its social and strategic changes. If the U.S. is not perceived as a friend, China's rise will continue anyway, without the benefit of U.S. input.

In the longer term, the true nature of U.S.-China relations should be one of enlightened engagement. This means a genuine effort to focus on common interests as well as the ability to deal with differences with mutual respect and trust.

With this in mind, the following future steps should be considered:

- Extension of the current top-level U.S.-China Strategic and Economic Dialogue to regional forums by encouraging, for example, twin (sister) states and cities to discuss and promote investments, technology cooperation, educational and cultural exchanges.
- Strong support for U.S. think tanks and learned institutions (such as the Atlantic Council) to establish or expand their presence in China.
- Strong support for the Chinese language to be widely taught in U.S. schools at all levels.
- Strong support for expanding people-to-people exchange by, for example, relaxing visa requirements and expanding visa offices in China.

Incoming Chinese leaders are likely to be very interested and willing to increase and strengthen engagement with their U.S. counterparts. For the U.S. and China alike, this special window of opportunity to build an enlightened and sustainable bilateral relationship in their mutual interest, as well as in the interests of global stability, peace and prosperity, must not be allowed to pass. ■

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Advancing U.S. nonproliferation goals globally

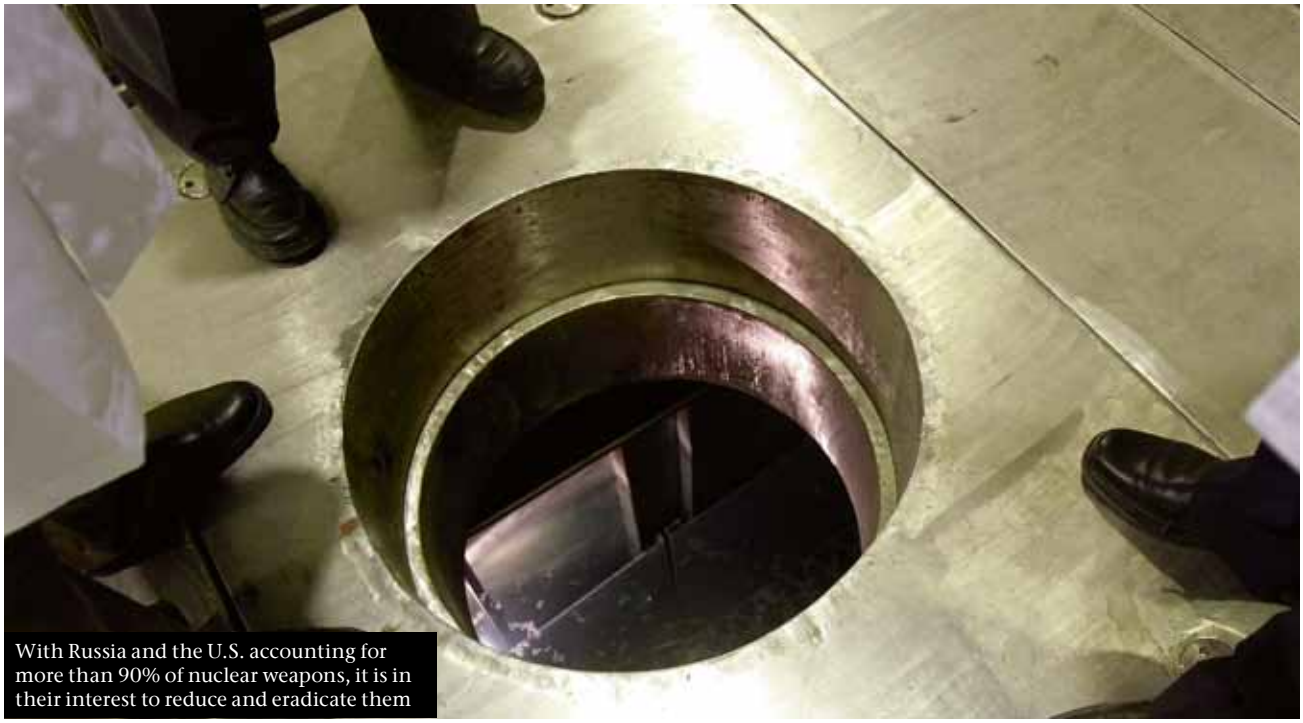
The world has seen enormous change since the end of the Cold War and the U.S. administration has been working tirelessly to build security for the 21st century. To continue this work, there are a number of key issues facing the winner of the 2012 presidential election

By Ellen Tauscher

In a speech in September of last year, former Secretary of State George P. Shultz spoke about the great geopolitical changes occurring since the end of the Cold War. Much like at the end of World War II, he suggested the United States must lead an effort to "create the right kind of global commons for this new world." Implicit in this suggestion is a recognition that global economic and security relationships will be different from those in the Cold War. The next President of the United States should continue with the work of this administration to ensure the country builds a security commons for the 21st century. Major accomplishments such as the New START Treaty, a successful Nuclear Nonproliferation Treaty (NPT) Review Conference in 2010, and the Nuclear Posture Review moved us in the right direction of adapting U.S. and international security policies and global security institutions and regimes to 21st century threats. Yet, there is still much to do. In this memo, I outline key issues facing the next President of the United States and offer recommendations on how to approach them.

2015 NPT Review Conference

The cornerstone of the global nuclear nonproliferation regime is the NPT, which establishes that states with nuclear weapons will work to get rid of them and states without nuclear weapons will not get them. Every five years, NPT states-parties gather to assess implementation of the treaty. Despite the doom and gloom attitude among some about the treaty's long-term viability heading into the 2010 Review Conference, it achieved success. As a result, the U.S. Delegation to the 2015 Conference will benefit from a roadmap, or "action plan:" the 2010 NPT Review Conference Final Document. This document contains agreed-upon steps that, if acted on, will strengthen the nonproliferation regime and lead to a successful 2015 NPT Review Conference. Since this document's publication, the United States has a number of success stories it must build upon and communicate to the states party to the Treaty. The successful entry into force of the New START Treaty, the productive and ongoing discussions with the other P5 states on verification, transparency, and confidence-building, the second Nuclear Security Summit in Seoul this year, and the provision of more than $18 million—benefitting nearly 120 NPT parties—to the President's IAEA Peaceful Uses Initiative are but four examples of U.S. commitment to strengthening the nonproliferation regime. By showing concrete U.S. commitment to the NPT bargain, the United States is more likely to encounter a welcoming audience at the next Review Conference. As consensus-building among the states party is essential for the continued success of the NPT regime, a welcoming audience among the nonnuclear-weapons states is vital.



With Russia and the U.S. accounting for more than 90% of nuclear weapons, it is in their interest to reduce and eradicate them

Iran

The Iranian nuclear program is one of the most serious security issues facing the United States and the world. As President Obama said in March at the second Nuclear Security Summit, there is time to solve the issue diplomatically, but the window is shrinking. The current policy of unprecedented sanctions and increasing international isolation while seeking a negotiated settlement is the right one. This policy makes clear to Iranian leaders what they must do to end their isolation: uphold their nonproliferation obligations and convince the world their nuclear program is for peaceful purposes. The status of current negotiations signals that the sanctions are affecting the Iranian government's calculus with regard to the nuclear program. The United States, working with its P5+1 partners, should respond only to Iran's offers if they are sincere and alleviate the international community's concerns. Engagement, particularly with Russia and China, is necessary to ensure Iran understands that negotiations cannot be abused in order to stall for time and reduce pressure. While the President should never take the military option off the table, a negotiated settlement is in the utmost interest of all parties.

North Korea

North Korea's backtracking on its agreement to halt enrichment, nuclear tests, and missile tests demonstrates the difficulty in dealing with the North Korean regime. The subsequent failed missile launch is but one example of a long history of provocations. The Administration's dual-track approach of pressure and receptiveness to any serious engagement with North Korea is indeed the right way forward. In addition, the United States must continue to press China, North Korea's only ally, to encourage North Korea to return to seriously engage in negotiations, halt its nuclear and missile activities, and refrain from further provocations. The United States and its allies in the region should continue to make clear to North Korea that further provocations are not in its interests and will not be tolerated. The United States will need to work with our allies and partners to assure that responses to any North Korea provocations are measured and appropriate.

The Comprehensive Test Ban Treaty

The recently released nonpartisan National Academy of Sciences study on the Comprehensive Test Ban Treaty (CTBT) further reinforces what many already knew: the Treaty is indeed effectively verifiable and there is a solid case for ratification. The report also confirmed the ability of the United States to ensure a safe, secure, and credible nuclear deterrent without the need for testing. The Stockpile Stewardship Program, as the study notes, has increased our knowledge of the nuclear stockpile beyond what was gained from testing. The CTBT will increase the difficulties and political costs to countries

While a military option should never be off the table, a negotiated settlement would be preferable for all parties

attempting to build and test nuclear weapons. The President-Elect should continue to educate Senators and their staff—as well as the general public—about the national security benefits of the CTBT and when ready, seek the Senate's advice and consent to ratification of the treaty.

Next Steps in Arms Control

As the United States and Russia account for over 90 per cent of all nuclear weapons in the world, the United States should continue to focus on bilateral arms control efforts with Russia. In the resolution of ratification of the New START Treaty, the Senate noted the large disparity in the sizes of each side's nonstrategic nuclear arsenal and its interest in reducing the Russian stockpile, currently not accounted for under any treaty. These weapons are most vulnerable to theft. And their use in any conflict opens the door to strategic nuclear escalation. Therefore, it is in the interest of the United States and Russia to reduce, and eventually eliminate, tactical nuclear weapons. The next President should continue to advance the policies set forth in the 2010 Nuclear Posture Review, including strengthening deterrence of potential regional adversaries, strategic stability vis-à-vis Russia, and assurance of our allies and partners. Recognizing that we have more nuclear weapons than we need, the United States in consultations with its allies in NATO, should seek to negotiate with Russia on all types of nuclear weapons: deployed, non-deployed, nonstrategic, and strategic.

Conclusion

The diffuse and global challenges facing the United States in the 21st century require engagement with a broad range of international actors on many fronts. No longer can we revert to Cold War thinking on security issues. The current Administration has successfully updated and broadened the tools at our disposal to ensure that the national security interests of the United States are upheld. However, more must be done. The risks posed by nuclear, as well as chemical, biological, and conventional weapons proliferation, are still too great. It will take hard work and determination to fashion a new security commons. Most importantly, achievement of that goal requires leadership from the next President of the United States. ■

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Catalyzing democratic progress in the Middle East

The new political landscape of the greater Middle East has produced significant opportunities for democratic change, but obstacles and uncertainties remain. To help catalyze progress, the United States must work with others to create a regional geopolitical environment conducive to democratization, craft tailored strategies to help countries in transition, and encourage friendly authoritarian governments to start down the path toward democracy. Democracy will not come quickly to this region. But a long-term and sustainable strategy is needed

By Zalmay Khalilzad

The unfinished political transitions of the Arab Spring continue to unfold. The outcomes are uncertain. Democracy activists across the region have experienced as many setbacks as successes.

Several new factors will affect the extent to which the current political openings and turbulence in the Middle East lead to an expansion of democracy across the region.

- The influence of the United States has diminished. Leaders in the region question whether we can wield our power effectively. Budget constraints impose further limits. But the U.S. remains an important outside player.
- A competition to shape the future of the region is emerging between Iran and Turkey, with the Arab states playing the role of an important but lesser power center.
- The Arab League is playing a more ambitious role as a regional organization to legitimize or catalyze collective action in a net positive way.
- Iran is approaching a latent or threshold nuclear weapons capability. If it crosses this line, this will destabilize the region. Use of force can degrade Iran's capability but could have second- and third-order effects.
- Israel and some Arab states are pulling closer together as a result of Iran's assertiveness, while the successes of Islamist parties in elections are pushing Israel and other Arab states further apart.
- China and India are more dependent than ever on energy from the region and will therefore play greater political and military roles. Russia has become a more active player as well.
- A sectarian political struggle is emerging across Syria and Iraq and could spread to Lebanon and the Gulf.
- A cohort in the region's rising generation is searching for ways to integrate liberalism and modernity with their religion and culture.

Goals and policies

The U.S. should focus on these goals:

- preventing extremists and terrorists from hijacking political transitions;
- addressing the multiple challenges posed by a regionally assertive Iran;
- forging a partnership with Turkey;
- achieving a stable two-state solution in the Israel-Palestinian conflict;
- assisting democratic consolidation in transition states while encouraging political openings by friendly authoritarian governments; and
- this objective should be pursued by a long-term effort and in response

Voting in Egypt, January 2012. The political transitions of the Arab Spring continue to unfold and its outcomes are still uncertain

Protests against Iran's nuclear activities. The country poses multiple challenges

to the needs of the region.

Preventing extremists and terrorists from hijacking political openings: Al Qaeda and associate terrorist groups pose a continuing, if somewhat diminished, threat to the U.S. homeland and to allies and friends. In terms of targeting leaders and networks, the U.S. has sharpened its counter-terrorist instruments substantially. This should be sustained. However, the new danger is that these groups may increasingly focus on opportunities to advance their political agenda amid the turbulence in Middle East. The U.S. should be willing to support local political forces to prevent extremists and terrorists from seizing or winning power in states that could serve as sanctuaries. How to manage Islamism is another key issue. Testing Islamic parties' acceptance of open and fair elections is critical. If they are not willing to compete within a system of democratic elections, then they will prove to be an obstacle to real political transition.

Addressing the challenges posed by Iran: Tehran's geopolitical strategy and pursuit of nuclear weapons create a regional context unfavorable to democratic progress. The regime's violent suppression of Iran's internal opposition not only blocks Iranian society from achieving a democratic breakthrough but also prevents democratic movements sweeping the region from harnessing the influence of Persian civilization. The U.S. and its partners must work on all of these challenges.

First, the U.S. and its partners must thwart Iran's geopolitical strategy. Tehran has sought to exploit sectarianism and has supported political openings as a tactical device to advance its national interests. It welcomed the toppling of Saddam and elections in Iraq which brought Shia parties to power. It wishes to see political openings in Bahrain and other Gulf states with significant Shia communities. Yet it is helping Assad, an Alawite leader, suppress the Syrian opposition and supports Hezbollah's use of militias and violence to intimidate other groups in Lebanon.

Liberal vision for Syria

Syria is the fulcrum of Iranian strategy. The fall of Assad would limit Iran's reach into the Arab world, diminish its ability to support Hezbollah, and curtail its capacity to shape the Israel-Palestinian conflict. The U.S. and its partners should seek to use the conflict in Syria to cut Iran down to size. We should seek to strengthen the Syrian opposition by expanding the participation of Kurds and Christians and by reaching out to Alawites. They should be encouraged to develop a liberal democratic vision and program for the country, which would give confidence to all Syrian communities about their place in a post-Assad Syria. After such an agreement, the U.S. and its partners should consider pressing for a ceasefire, creating humanitarian corridors, and establishing safe havens to bolster the position of the opposition. This policy could be enabled with partnerships involving Turkey, Iraq, Saudi Arabia and the Gulf states, the Arab League, and possibly even Israel.

Iraq is another focal point in the regional struggle against Iran. It would become the main fault line if and when Assad falls. Tehran has sought to exploit the departure of U.S. forces to increase its influence, principally through the actions of proxies and allies. This has produced dangerous tensions that threaten Iraq's democracy. Together with Turkey and other friends, the U.S. should engage Iraq's leaders to encourage them to check Iranian inroads. We and our partners should

also strengthen ties with the Kurds in Iraq, as well as leaders of other Iraqi communities, to prevent tensions from escalating into a sectarian civil war.

The challenge in the Gulf

In the Gulf states, where Sunni leaders have discriminated against Shia communities, the U.S. should quietly engage with Shia leaders through intelligence channels and nongovernmental groups. We should warn against allowing Iran to build its influence, which will reinforce the unwillingness of Sunni leaders to consider reform and which Iran will exploit to create proxies that will be responsive to Tehran rather than to their own communities. We should also indicate that the U.S. supports stable political change that gives the Shia communities a voice. In Bahrain, a more robust dialogue is needed to ensure key concerns about democratic governance are discussed.

Second, the U.S. must preclude nuclear intimidation by Iran. The U.S. should remain open to a deal preventing Iran from developing nuclear weapons. Yet the experience of the Bush and Obama administrations so far indicates that engagement and sanctions alone are unlikely to induce Iran to limit its nuclear ambitious. Iran may be similar to states such as Pakistan and North Korea that persisted with their weapons programs despite high and growing costs. If increased financial sanctions do not have a decisive impact, a new administration will have to make a difficult choice.

One option is a military strike to degrade and disrupt Iranian enrichment and weapons programs. Military action can set back Iran's programs a number of years, but the potential effects on the prospects for democracy in the region are uncertain. Iran could undermine democratization by inciting protracted and unpredictable conflict across the region, unleashing sectarian militias and terrorists, and seeking to destabilize other states. In fragile countries, greater disorder will magnify the comparative advantages of extremist groups. Leaders of stable authoritarian states are likely to clamp down on dissent. Alternatively, if military strikes revive the opposition movement within Iran, Tehran will need to focus its attention on problems at home. It is conceivable that the combination of geopolitical setbacks, political isolation, economic sanctions, and military strikes could mobilize an opposition sufficiently strong to force a change in Tehran's policies or even to challenge the regime's hold on power. Planning for attacks should include contingency plans to exploit any internal unrest that may arise and to respond to other second-order effects.

The U.S. should seek to work with Turkey to shape the region's democratic trajectory, including the evolution of Islamist parties

Guarantees and deterrence

The other option is to acquiesce to the emergence of a latent or threshold nuclear capability and use security guarantees and deterrence to prevent Iranian nuclear blackmail against partners and friends. This might avoid a destabilizing regional conflict. Yet there is no guarantee that containment would stop an Israeli strike or prevent a new wave of proliferation across the region. Arab regimes that see Iran's influence on the rise will be less likely to open up political space for their societies. Further democratic progress will depend on convincing the Arab states of the credibility of our guarantees and deterrent.

Third, the U.S. should work with the Iranian opposition to achieve a democratic breakthrough. The potential for such change already exists. The Green Movement shook the regime to its core in demonstrations in 2009. The U.S. should increase its engagement with the Iranian opposition and offer the assistance needed to challenge the regime's hold on power, including supportive political statements, foreign broadcasts, communications technology, and financing. It should find ways to signal to elements of the Iranian security services that their interests lie in supporting change. It should create an umbrella organization to unite internal and external opposition groups and work with them to develop an economic and institution-building program for a democratic Iran.

Forging a partnership with Turkey: Turkey has acquired growing influence in light of its democratic progress and economic success. Many groups that share the governing AKP's roots in political Islam are looking to Turkey as a model. As a result, the U.S. should seek to work with Turkey to shape the region's democratic trajectory, including the evolution of Islamist parties. This could be a vehicle for influencing these parties to respect the rights of religious minorities and other values. Working with Turkey is not without challenges, particularly if the AKP continues to take heavy-handed actions against its own political opponents and to be reluctant to address the aspirations of the country's Kurdish minority. U.S. engagement will also

have to be effected in a way that respects Israeli security concerns and Arab sensitivities about the role of Turkey in the Arab world.

Achieving a stable two-state settlement of the Israel-Palestinian conflict: Because the Arab Spring has unleashed populist political forces, it is vital to pursue actively an Israeli-Palestinian settlement. Otherwise, the risk exists that extremists and demagogues will seize this issue to propel themselves to power. The framework for a settlement—a two-state solution with minor territorial adjustments and repatriation of refugees to the Palestinian state—is well established. The challenge is to develop the leverage needed to create a political consensus within each of the parties in favor of concessions and compromises.

Assisting democratic consolidation and transitions: The political transitions of the Arab Spring will unfold over a generation. We have to be ready to play the long game of supporting moderate and democratic forces if we wish to help them achieve a positive historical outcome.

The road to democracy

In countries where initial transitions have taken place—specifically, Tunisia, Libya, Egypt, and Yemen—the focus should be on helping local leaders come together around a sound state-building and economic development program.

Tunisia, in particular, is a crucial test of case of a true democratic transition taking place that could serve as a beach-head for democracy in North Africa. This is all the more important given the recent crackdown in Egypt on NGOs—especially U.S.-based democracy promotion organizations. Much of the U.S. role should involve quiet advice, mediation, and technical assistance.

Turkey has made progress in terms of democracy and economic success

In countries with oil revenues, the costs of needed programs should be covered by internal revenues.

For resource-poor countries, the U.S. should work with partners to organize the equivalent of a Marshall Plan for the Middle East. Like the U.S. effort in Europe, it should be designed as a partnership that implements programs through local governments and firms. It should be funded not only by the U.S. but also by international financial institutions, wealthier Arab states, and East Asian governments.

In countries governed by friendly authoritarian governments, the U.S. should quietly engage in discussions to plan gradual political transitions—a step-by-step evolution of political systems that avoids violent discontinuous change, that carries over current leadership elites into important roles in the new order, and that enables disenfranchised groups to have a voice in their own future. The U.S. should help current rulers start the process of moving towards a new, stable order, much as many European countries evolved from absolute to constitutional monarchies over an extended period of time. At the same time, the U.S. should build bridges with all other actors in the societies of these countries, ensuring that they understand that we are not wedded to the current order and that we wish to see more equitable political and economic systems in their countries.

In addition, the U.S. and its partners should develop an outreach and mobilization program focused on the young people of the region. They constitute the dominant demographic cohort and on the whole are supportive of democracy and economic opportunity. This effort should fund youth-oriented civic society groups wherever this is feasible, with particular focus on the cultural, intellectual, and entrepreneurial spheres. These groups should also be connected into a transnational network that can exchange ideas and support each other's efforts.

Implementation

To implement these policies, the U.S. must enhance its capabilities to catalyze positive political dynamics in other societies, build institutions, and foster economic growth after political transitions. It must also support independent media and civil society organizations. The last ten years in Afghanistan and Iraq exposed shortcomings in U.S. capabilities. This should include the following steps:

An Iraqi school. Dangerous tensions are threatening the country's democracy

- Reform the State Department's recruiting, training, and promotion systems to create an expeditionary capability that enables the U.S. to assist local political groups in mobilizing for democratic change, foster power sharing and constitutional arrangements after transitions, and develop inclusive visions and programs for institution-building across critical security, development and service sectors.
- Strengthen the State Department's Bureau of Conflict and Stabilization Operations to the point where it can immediately staff one major stabilization operation, with the ability to support staff rotations. A priority should be to develop an analytical framework for its operations that enables the U.S. to assess the conditions and needs of a transition state and that prioritizes and sequences the activities and programs that the local government should undertake. Within the Bureau of Conflict and Stabilization Operations should be a capability to help local leaders rapidly foster economic growth after a political transition. This should include the ability to work with locals to fund startups of small- and medium-sized enterprises, to overhaul property rights systems in order to grant formal rights to those operating in the informal sector, and to break down the structures of "crony capitalism" with a minimum of economic dislocation.
- Reexamine U.S. political aversion to providing U.S. funding to support operational activities of political parties. The U.S. should provide support to those liberal parties that welcome such funding.
- We need to be able to level the playing field for moderate and democratic parties.
- Strengthen the CIA's capabilities to collect local political intelligence and to engage in covert action, influence operations, and other political actions to support political actors and groups in foreign societies.
- Strengthen capabilities in the State Department and Defense Department to assist security sector reform. The U.S. should develop a seamless structure to help local leaders prevent the entrenchment of militias in the aftermath of a transition, organize and train security forces (military, police, and intelligence) at scale and rapidly, and build institutions to establish the rule of law (prosecutors, courts, and corrections).
- Strengthen USAID's capacity to work with local leaders to reform and modernize educational systems, ensuring that reason and critical thinking are the foundations of instruction and that systems give young people skills needed in the market.
- Revive USIA or create a similar organization to sponsor initiatives to foster liberal values, increase people-to-people contacts, and transfer knowledge needed to help local leaders build effective institutions. ■

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Reinventing the transatlantic partnership

The Transatlantic alliance may no longer carry the weight it once did, as the economic and geopolitical focus becomes increasingly global. But the fortunes of this tried and tested partnership can–and should–be revived through bold leadership from NATO, by modernizing structures based on postwar defense needs and focusing on global security

By Harlan Ullman

For nearly seven decades, the Transatlantic partnership has served as the bedrock for Western security. Today, for many reasons, this partnership is in trouble and in decline. Some in this country go further and have argued that the Transatlantic link has outlived its usefulness as the front line for safeguarding European and American security and can or should be subordinated to U.S. interests that have shifted to Asia and the Middle East for understandable geostrategic and economic reasons.

This memo rejects that argument and the pessimism associated with allegations of declining American power and influence. It argues instead that reinventing and rejuvenating the Transatlantic partnership will prove a much more effective and even more efficient means for advancing American and Western interests and enhancing global security, particularly in a world where Asia may loom larger geopolitically and economically, by exploiting the advantages of a tested and proven alliance that can and must be aligned to deal with the realities, dangers, uncertainties and challenges of the 21st century.

But to revive Transatlantic fortunes, bold and innovative ideas along with equally bold, effective and courageous leadership are crucial. Publics and politicians, including skeptics, cynics and many who are just indifferent, must be convinced of the pressing need for, merits of and reasoning behind reinventing and rejuvenating this alliance. Unfortunately, the seemingly ubiquitous failure of governments worldwide to govern irrespective of geography complicates and impedes rallying public support. The plan of action for you to approve rests on these propositions and logic:

- First, the current structure for international security still rests on institutions emanating from World War II, the Cold War and the mid-20th century. The UN, World Bank, IMF, NATO and the original G7 are prime examples. Yet, the international system has long become more diffuse, multipolar and globalized, in which no single state or organization can dictate to the rest. For the 21st century, old structures must be modernized or new ones put in place that recognize and respond to these profound changes, realizing that many are self-evident and that others are still evolving.
- Second, security still remains largely defined by and synonymous with defense, not the reverse. States talk about security but spend on defense. That NATO remains predominantly a military alliance underscores this inverse relationship and disparity. The direct military threat to the alliance disappeared twenty years ago as the Soviet Union imploded. Hence, the broader meaning of security and not the more limited concept of defense must be central to strategic

A roundtable meeting of NATO defense ministers at NATO headquarters in Brussels

War has shifted from traditional battles to broader issues of security

thinking and responding to the challenges of the 21st century rather than to threats of the past.

- Third, national security is about protecting and responding to the needs of people and publics. Economic, physical and psychic security are key elements. War itself has shifted for the moment from traditional battles between more or less like armies to conflicts about and over people in which military force, if or when necessary, is not sufficient to carry the day alone. Despite pledges and promises calling for whole of government and comprehensive approaches to security, this has not yet been achieved. Iraq, Afghanistan, Yemen, and now Libya are unhappy case studies making this point.
- Fourth, if security is still mostly cast in 20th century terms, then the notion of an "industrial base" to support defense of the realm dates from the late 19th century. What is needed is an "intellectual" base incorporating the industrial sector as well, given that intellectual property is far more critical than the ability to "bend iron" or to field conventional forces in numbers as large as in the past.
- Finally, given the absence of an existential threat to the Transatlantic community and NATO for a long time to come unless we are really clumsy over China or Russia, enough money resides in European defense ministries to address shared security needs provided that money is used smartly. No one is for stupid defense. And despite pleas for smart defense made most vocally by NATO's able Secretary General Anders Fogh Rasmussen, so far that is largely rhetoric. Smarter defense is critical and we can take the lead in advancing ways to achieve this.

NATO, therefore, can and must become the means for reinventing and rejuvenating the Transatlantic partnership. The most powerful force driving this reinvention is understanding that defense no longer can be the default setting for defining national security, if it ever could. In turn, governments must take as their chief security principle protection of the citizenry and people and assign resources accordingly.

Physical security clearly has domestic as well as international implications and consequences. Criminality and the threat of, or actual, foreign attack can be either from international or domestic sources with terror and cyber threats falling into grey areas. Blurring of borders and boundaries by terror, cyber and the ambiguous legal consequences of these and other threats constitute and complicate how states can secure and protect their people and cannot be treated simply as a matter of national defense.

Economic security does not mean permanent livelihood and privilege. It means fair opportunity for all and a social conscious for addressing the less fortunate. And it means ensuring a free and fair system of trade and finance across national borders.

Psychic security is the most difficult to define. When economies are good and dangers low, people feel more secure. But given the reverse, as is the case today especially in the economic sector (and in the minds of some scaremongers exaggerating the threat of Jihadist extremism

Integrating countries such as Turkey into Europe could enhance security

and Chinese militarism), then governments and leaders, i.e. YOU, must inspire enough confidence about the future to convince the public that conditions will change for the better. The required skill sets for these tasks differentiate the brilliant from the run of the mill or ordinary politician and leader.

What should we do?

First and foremost, NATO can and must amend the Washington treaty to move it from a military to a security (or even a strategic-military) alliance. Some members will resist any change. Security and strategic could be viewed as too expansive, inevitably destined to engage and embroil the alliance in future situations and crises beyond its competence and charter. Some argued Afghanistan was a bridge too far. While the Libyan campaign removed Mr. Qaddafi and has been declared a success by NATO, the jury is still out on that country's future. But, given that military means are no longer sufficient to guarantee security, particularly as cyber, energy, terror and failed states loom as more pertinent candidates for disruption and threat, NATO must respond with even greater resolve and commitment to address these broader challenges.

Second, the alliance must think and act strategically in what its European commander Admiral James Stavridis calls a "new, new world." Former National Security Advisor Zbigniew Brzezinski called for the integration of Russia and Turkey into Europe as the best foundation for enhancing global security. NATO has experimented with this type of thinking in terms of expanding partnerships. Building on that and specifically reaching out to the Shanghai Cooperative Organization as well as other organizations and blocs are ways to think and act strategically.

Third, regarding reinventing and rejuvenating strategic concepts and creating new ideas, NATO should task Allied Command Transformation (ACT) to undertake this effort concentrating first on Russia and the mix of strategic and conventional deterrence to include missile defense with the intent of not only rebuilding confidence measures but finding actual means to build stronger global cooperative arrangements that deal with proliferation and instability. A separate memo will be provided with details for this effort.

Fourth, NATO should begin shifting from a defense industrial to a security intellectual base that fits the 21st century in which intellectual property is the coin of the realm. Both this and the second recommendation should be carried out in conjunction with the European Union and other NATO partners.

Fifth, the key to success is people. Smart or smarter defense and security demand smart and smarter people. This can only be achieved through greater knowledge and understanding. Both can only be achieved through learning and education. This requires a revolution to transform the advancement of knowledge and understanding by better integrating the many, largely uncoordinated and separate government controlled educational and learning institutions based on creating this new security intellectual base. A separate memo has been provided for your review on spurring this revolution in security education.

Last, the opportunity to reinvent and rejuvenate the Transatlantic Alliance for the 21st century is real but fleeting. Opposition at home and abroad as well as the inertia of the status quo are formidable obstacles. But ideas count. Big, bold and smart ideas count more. Then, the trick is making them work. That requires the leadership that you can provide and the main reason why you were (re)elected president. ■

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Playing the long game against the Iranian threat

One of the greatest challenges facing the President of the United States is posed by Iran, which is advancing towards a nuclear weapons capability while saber-rattling in the Persian Gulf. The United States and its allies must pursue a strategy that contains Iran's influence, keeps the Iranian military boxed in, and slows Iran's nuclear weapons acquisition efforts, even as we reset Gulf security arrangements

By Barry Pavel

Iran poses the most significant near-term foreign and security policy challenge to the United States of any nation, and it is currently our greatest geopolitical foe. It has the greatest potential to upend your Presidency (as it did Jimmy Carter's) and prevent you from achieving your highest-priority goals domestically and abroad.

Leading the world to handle Iran effectively during your term will require sustained attention on diplomatic and military fronts. Your goals should be threefold:

1. Prevent the Iranian regime from gaining greater influence in the Persian Gulf and the broader Muslim world until demographic trends succeed in changing the Iranian leadership from within. This requires supporting the Iranian people to the greatest extent possible.

2. Keep the Iranian military and its proxies boxed in, and respond swiftly and brutally to any Iranian military or paramilitary provocation.

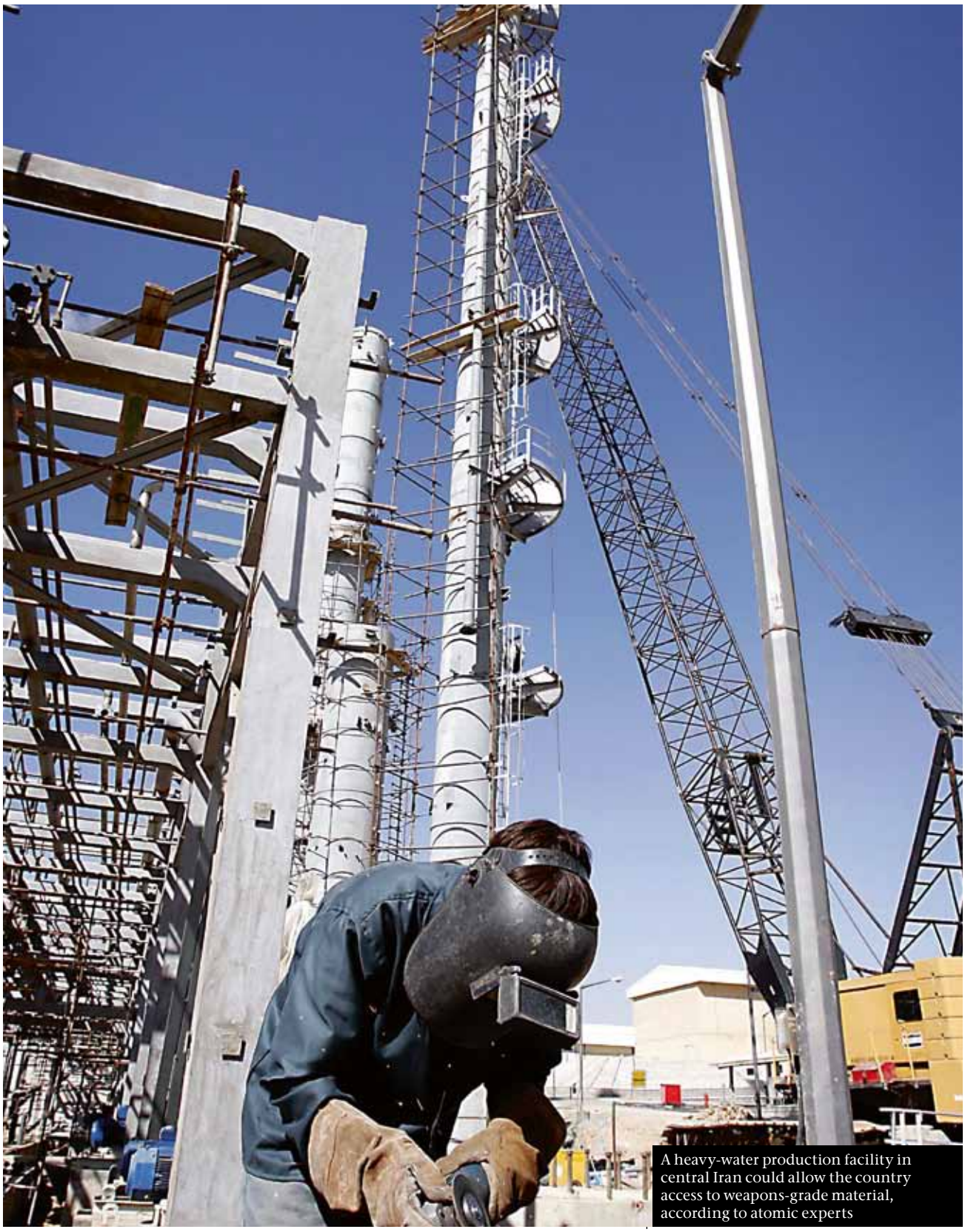
3. Slow Iran's acquisition of a nuclear weapons capability, even as we reset Gulf security arrangements with our European allies to deter a nuclear weapons-capable Iran.

The current state of play

Iran is ascendant compared to its position just a few years ago, but this newfound power will prove ephemeral. A few years ago, Iran was boxed in with hundreds of thousands of U.S. and coalition military forces conducting operations in its neighbors to the west (Iraq) and to the east (Afghanistan). While the Arab Spring had not yet sprung, the Persian Summer threatened the leadership's hold on power in 2009, when the rigging of the Iranian Presidential election in favor of Mahmoud Ahmadinejad brought protesters out onto the streets. Of course, subsequently, Iranian security forces brutally crushed the Green Revolution protestors in front of television cameras for all the world to see.

Since then, the U.S. has withdrawn all of its combat forces from Iraq (thanks in part to Iranian assistance, training, and weapons provided to Iraqi insurgents); Iran and Iraq are on better terms than at any time in recent history; the U.S. and its coalition partners in Afghanistan are withdrawing their forces at a rapid pace; the global financial crisis has set back the economic and military power of the West, and with it the level of ambition of both Western diplomats and military chiefs; and the Arab Spring has played out without (yet) affecting the Iranian ruling theocracy.

On the nuclear issue, Iran has continued its progress toward acquiring a nuclear weapons capability, despite crippling economic and other sanctions and a sustained Western covert-action campaign. Multiple Israeli assassinations of Iranian nuclear scientists; the sabotage of various Iranian nuclear-



A heavy-water production facility in central Iran could allow the country access to weapons-grade material, according to atomic experts

related facilities; the unprecedented Stuxnet cyberattack on Iranian nuclear centrifuges, which ushered in a new class of military warfare; and other related measures have not had any noticeable effects on Iran's march toward a weapon.

It is likely that the broad, crippling economic sanctions that were greatly strengthened in January 2012 were the key factor in bringing Iran back to the nuclear negotiating table earlier this year.

But we should expect nothing more from this process other than what we have seen before in both Iran's approach to nuclear negotiations and North Korea's: cycles of hopeful diplomacy, a few deals made, and then deals subsequently and patently broken as each country buys time to make progress on their highest-priority weapons programs.

The U.S. can help loosen Mahmoud Ahmadinejad's grip on power in Iran

The way forward: how to redress recent Iranian gains

A threefold strategy—with each element reinforcing the other—will help guard against the most dangerous near-term Iranian provocations while also playing for the long game.

First, the U.S. must reinvigorate its diplomacy in the Persian Gulf and broader Middle East to curtail Iran's influence and make clear that the U.S. is engaged in the region.

The 18-34 year old cohort in Iran is among the most pro-American population in the entire world: they are Internet-connected, Western-oriented, and disdainful of the theocratic leadership that continues to rule Iran with an iron fist. And they are a large and growing proportion of the total Iranian population.

Therefore, a primary goal of your policy should be to support those in Iran who want to return this great nation to the international community, and to split both them and the broader population from the corrupt ruling theocrats in every way possible.

The only way to do this effectively is to:

- Reinvest in U.S. engagement in the region. Key regional actors think the U.S. has disengaged and that U.S. leadership is absent. This dangerous perception of a leadership vacuum must be reversed, and very soon.
- Greatly strengthen public diplomacy, cultural exchanges and related efforts to help show the Iranian people that the U.S. and Europe welcome them and want to integrate them into the international community. You should talk directly to the Iranian people about the manifold benefits that will accrue to all parties when your initiative becomes a movement. You should give a speech on this topic in Istanbul in early 2013.

Second, the U.S. military needs to keep the Iranian military in a box, through robust presence and brutally effective and rapid responses to any further Iranian aggression, coercion or provocation. Time and again, Iran has shown that it will compromise and deal constructively with the international community only when it is made clear to the mullahs that their enemies are willing to use military force when necessary. The lack of response to the attempted Iranian killing of the Saudi Ambassador to the United States in Washington, DC, in 2011 was interpreted by the Iranian leadership (and the Gulf Cooperation Council nations) as yet another sign of weakness and distraction on the part of the United States. The U.S. should have responded swiftly, brutally and precisely against those who are known to have ordered this attack.

Third, the U.S. needs to reset the security architecture in the Persian Gulf to prepare for the run-up to and deterrence of a nuclear weapons-capable Iran. Yes, we should continue

the P5+1 diplomacy and redouble our efforts to get Iran to give up its nuclear weapons program. Yes, sanctions are working effectively but they are both broad and blunt, and we are making new enemies among the Iranian people as a result. When all is said and done, the history of Iran's acquisition of nuclear weapons will play out just as North Korea's long-term program did: they will get the bomb by buying time.

A military strike on Iran—by Israel or the United States—would be a greater catastrophe for U.S. interests and would play out with much more unpredictability than simply strengthening current efforts to squeeze the leadership. A strike also would be marginally riskier than preparing to deter and contain a nuclear Iran. We need not advertise preparations for deterrence/containment as designed solely for countering a nuclear Iran, and thus we need not admit to failure in our current work to stop their nuclear program.

We should have no illusions that the world with a nuclear Iran will be easy. It will be a far more dangerous world, as once Iran has a nuclear shield it will act much more aggressively at all other levels of warfare and provocation.

We should expect a nuclear Iran to:

- Sponsor terrorism worldwide (including cyberterrorism) with far greater resources and far less concern about drawing boundaries around such behavior.
- Export ballistic missiles to its key allies and partners, likely including a post-Chavez Venezuela (which has implications for U.S. security cooperation in the western hemisphere and U.S. homeland missile defenses).
- "Stir the Shia pot" in its immediate neighborhood with much greater vigor, especially in places like Bahrain and Saudi Arabia; and
- Take other aggressive actions and seek to exploit fleeting opportunities to gain advantage relentlessly.

Perhaps most importantly, a very short time after it becomes clear that Iran has nuclear weapons, Saudi Arabia will acquire such weapons from Pakistan, either through purchase or through Pakistan simply prepositioning the weapons in Saudi Arabia. This means that the nuclear balance in the Middle East will become the most unstable and complex nuclear relationship in history, with three "poles" of nuclear power (Iran, Saudi Arabia, and Israel) separated by five- to twelve-minute ballistic missile flight times and vastly different polities and cultures.

There is no time to waste to work with our close allies in the Gulf Cooperation Council to prepare for this world, to reassure them that the U.S. and NATO have their backs, and to erect a deterrence architecture and supporting military posture.

Key elements of this campaign must include:

- Leading NATO to establish a formal relationship with the GCC, starting first in air, missile defense, maritime operations, and command and control, and then building on those efforts more comprehensively. NATO's focus should be to work with key GCC partners to help strengthen interoperability. Qatar and the United Arab Emirates have proven themselves willing and able in the recent operation over Libya, and we should build on such progress in broader and deeper ways.
- Arming the GCC itself and helping to erect political-military structures that will enable its members to consult routinely among themselves and to develop habits of cooperation to steel this alliance anew against the Iranian challenge.
- Reset the U.S. military posture in the Gulf, which is geared more for the 20th century than the 21st. Our forces in the region are heavily concentrated in a few places (e.g., Kuwait, Qatar), and those forces are vulnerable to the hundreds of Iranian short-, medium-, and intermediate-range ballistic missiles now fielded throughout Iran. Our forces' degree of concentration also makes them vulnerable to changing political winds in these countries.

This critical effort will be costly and dangerous. NATO deterred and contained the Soviet Union over the course of roughly forty years, with many Cold War crises, and at a cost of trillions of dollars until the Soviet Union crumbled under its own weight. We should not expect an analogous effort against Iran to take forty years to succeed, as changes in the region and within Iran are moving at a faster pace. But such an effort might take ten years, and there will be many crises. We should not be surprised if one of those crises features the first use of nuclear weapons since August 9, 1945.

Mr. President, this may be the most urgent and historic effort that you undertake abroad in the next four years. ■

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Strategic engagement with Russia 2013-17

The U.S. has an important opportunity to improve relations with Russia. This memo suggests some strategic areas where this can be done: resolving Ballistic Missile Defense differences; moving forward with the next stage of significant nuclear weapons reductions for both strategic and theater systems; addressing some long-standing sore spots such as the North Caucasus and Moldova; and enriching Russia-NATO cooperation

By Thomas R. Pickering

Russia remains, in 'Churchillian' terms, an enigmatic mystery. In its post-Communist transition to a modern state, Russia has shed most of the impedimenta of Communism and begun to search for new directions. But the old conflict between "Slavophiles" and "Westernizers" has emerged in the streets in a new guise and the outcome remains uncertain.

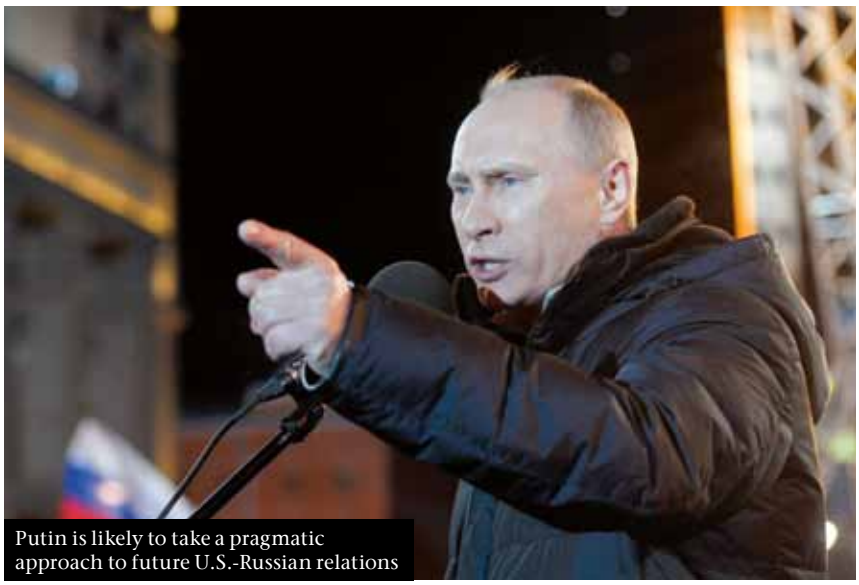
Although Putin has secured a third term as President, it would be an exaggeration to say that he has and will have sole command of Russia's future. But it would be an equally serious mistake to underestimate his influence.

Putin has chosen to deal with the emerging forces on Russia's streets in a careful and balanced way. The middle classes and those who joined them from what used to be the proletariat were greeted with the twin policies of co-option and intimidation. By herding through intimidation at the same time as absorbing through co-option, he clearly intends to keep a tight rein on change and new initiatives, working pragmatically with whomever he believes can help him manage a new and changing state.

The future will not bring a return to the Putin state of full authority, or *vlast*, of the early 2000s, with near-dictatorial powers where and when he needed them. Public demonstrations pose a continuing challenge that he will be hard put to deal with. At the same time, however, he has shown that he commands popularity, despite concerns over the fairness of the March 4th elections. His priority now will be to prevent Russia from moving in ways that weaken his control and challenge his authority on key issues.

The most important issue affecting Russia's domestic policy is corruption. It also remains the most untouchable. Some years ago, Putin publicly recognized the importance of working to end corruption. But he also frankly and openly admitted he could do little to make the change. This has led analysts to believe that even Putin does not have full and unfettered control of the country in this area. It may indicate that he remains beholden to some of his subordinates because he and they participate jointly in murky "deals."

In its relations with Russia, the U.S. has the opportunity to take the initiative on a number of key issues. First, talks on cooperative ballistic missile defense should be reopened. Significant changes in Russia-U.S. relations already resulted from the 2009 move to negotiate a 'New START Treaty' on nuclear-weapons and delivery-vehicle reductions. While the New START cuts were relatively small, they reflected an effort on both



Putin is likely to take a pragmatic approach to future U.S.-Russian relations

sides to achieve a win-win outcome. Since then, the BMD talks have stalled because of Russian fears that our Ballistic Missile Defense System will destabilize Russian deterrence. Moscow's requests for a treaty guarantee or even a right of veto over use of the system have been rejected by the U.S. on the grounds that a treaty guarantee would be unlikely to be ratified by the Senate, while the proposed right of veto has raised concerns about Russia blocking missiles use against the other states for which the system has been configured, North Korea and Iran.

With the presidential elections in both Russia and the United States out of the way, it is time now to look for a way forward.

Possible technical and practical solutions to the stalemate that could not be put on the table during the US and Russian election campaigns may help to provide a solution. These could include possible greater clarity about current U.S. plans and a clear exposition of future U.S. plans. A second opportunity comes with a possible further stage of nuclear disarmament. In both the U.S. and Russia, experts have begun to look at a new lower limit of 1,000 operational weapons and related delivery vehicles, down from 1,550 under New START.

Some are also suggesting moving the entire delivery force to single warheads. Two related steps have also been suggested: to eliminate most or nearly all of the 4,000 "reserve" weapons and those in re-work or undergoing dismantlement on the US side and a larger number on the Russian side; and to try for the first time to combine limits on tactical weapons with freedom to mix within the proposed overall 1,000 limit.

In parallel, we should consider removing all remaining tactical weapons from close to the former line of confrontation in Europe. Russian tactical weapons, should Moscow wish to preserve them, might be stationed east of the Urals. U.S. tactical weapons could be eliminated or returned to the continental United States. This would require great care in dealing with our European allies. Many see such nukes as an essential part of the linkage of U.S. nuclear forces to NATO defense and deterrence and have been assigned a role in delivering tactical weapons under NATO war plans.

Thirdly, we now face a broad set of opportunities to deal with old or festering issues that sour our relations with Russia. These include differences left over from the fall of Communism in the North Caucasus and along the Ukraine border in Moldova; arguments over the four disputed Kurile Islands with Japan; and arrangements between Russia and NATO over a more robust partnership to deal with European and extra-regional issues as well as closer trade and economic cooperation, which could make progress if Russia moves forward with reforms at home.

Predicting Putin is very hard. He keeps his cards very close to his chest. But my sense is that his pragmatic tactics for staying on top and the opportunities outlined above will move him toward gradual change and an improvement in our relationship. We will see a Putin using co-option more and intimidation less. Or if he uses the latter, he will seek to do so in support of further positive change within Russia and with its friends and neighbors, as well as, possibly, even with its enemies. ■

We now face a broad set of opportunities to deal with... issues that sour our relations with Russia

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***Thomas R. Pickering** is an Atlantic Council Board director and former under secretary of state for political affairs. During a four-decade career in the U.S. diplomatic service, he served in numerous ambassadorial posts, including as U.S. ambassador to Russia*

Homeland security in the 21st century

Since September 11th, 2001, the United States has not suffered a significant or successful major terrorist attack by outside forces. We can thank both good planning and luck for this. But we can neither depend on luck nor rely solely on our past experience going forward. We must look ahead and anticipate new and emerging threats. The first decade after September 11th was spent rebuilding our military, intelligence and law enforcement capabilities. The task ahead will be to better integrate and leverage these strengths

By Frances Townsend

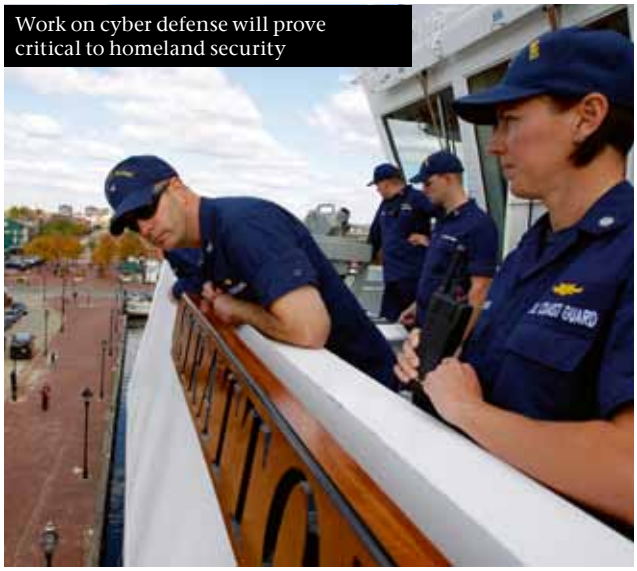
The George W. Bush administration in which I served took remarkable actions to realign, rebuild and refocus our capacity to protect the nation at home. Congress and the September 11th Commission played crucial roles as the nation sought to knock down the "stovepipes" and walls that had divided and isolated our military, intelligence, law enforcement, diplomatic and financial agencies. Just as "jointness" was imposed on the military services as a result of the Goldwater-Nichols reform, both the Bush and the Obama administrations have applied the same framework to protecting the United States at home.

But luck also counts and we have been very lucky. Tragic though it was, the worst incident since 9/11 was the Fort Hood shootings in which former Army psychiatrist Nidal Hassan killed or wounded about forty U.S. service personnel and civilians. Had the so-called underwear and Times Square bombers been competent, we would have lost more American lives.

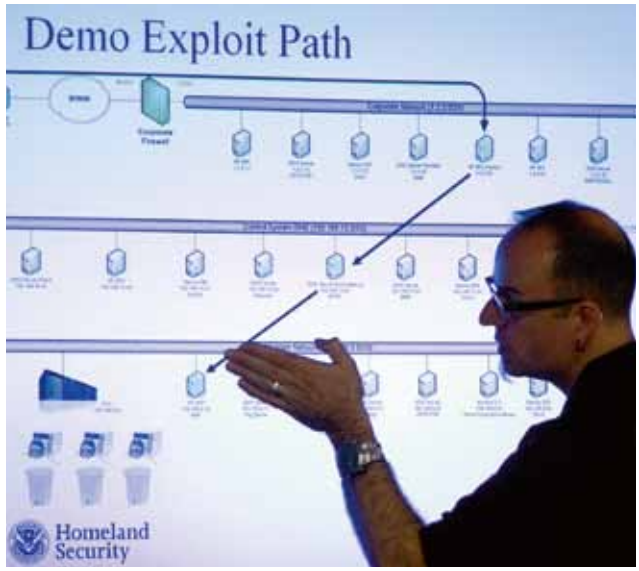
Today, Bin Laden is dead and al Qaeda has been substantially degraded in Afghanistan. Internationally, cooperation between and among states has vastly improved. However, safe havens, proliferation and the need to improve interagency information-sharing all remain serious challenges. To meet these challenges, we must redesign and refocus our priorities for safeguarding America and Americans at home and abroad, to take account of the ways in which the security environment and emerging threats have changed since September 11th.

To achieve this, we must understand several overarching realities:

- First, protection of infrastructure against possible cyber attack is still in a formative stage while the threat grows ever more serious.
- Second, information-sharing, though no longer a technical challenge, remains a policy challenge.
- Third, the United States has still not devised an appropriate strategic communications program to take on and turn the ideological battle to our favor.
- Fourth, while we have learned how to coordinate and improve interagency cooperation, the assignment of responsibilities between and among Defense, CIA and the intelligence community, State, Treasury and law enforcement remains ambiguous and requires more precise delineation.



Work on cyber defense will prove critical to homeland security



What should you do?

First, and most urgently, we need to tackle the increasingly serious threat of possible cyber attacks. The Department of Defense has a new Cyber Command. But, since the bulk of cyber vulnerabilities are civilian and in the private sector, it has been difficult to coordinate and integrate the many disparate public and private sector interests and capabilities. What is lacking is an intellectual framework that sets forth responsibilities and objectives and identifies capabilities and legal authorities as well as emerging technologies and technological gaps.

The nation requires a new paradigm for public/private partnerships that goes beyond the decades-old ethics and conflicts regulatory regime.

While some rules remain necessary, current threats require a common-sense approach that permits rapid, fulsome and penalty-free exchange of public/private information and capability. Now, more than perhaps at any time in our history, the government needs the ability to leverage private-sector experience, talent and intellectual capital to solve our most difficult challenges.

One priority should be to establish a public/private-sector institute for cyber on a model similar to that chosen by the Air Force when it set up RAND to study nuclear weapons. This institute would be charged with developing theory and practice for a national cyber policy with both public and private applications.

To give this institute force, Congress should have a key role in setting it up as well as having direct access. The oversight board should include members of Congress, the Executive branch and distinguished civilians, with or without government experience. Such an institute must be populated with the best minds in the relevant practices, to be compensated accordingly.

Though there have been efforts made across two administrations, victory in the war of ideas eludes our grasp

In parallel, clear legal authorities, both offensive and defensive, must vest responsibility where our national capability resides. They must be comprehensive and flexible enough to continue to control the use of emerging technologies. And they must ensure adequate Congressional oversight while balancing and protecting legitimate privacy and civil liberties equities. We must never again allow a situation where cyber tools are available but their deployment is prohibited because of a failure to anticipate and structure a legal regime to govern their use.

Second, information-sharing between and among agencies must be improved. Much progress has been made across two Administrations, but the case of the "underwear bomber" painfully demonstrated that it still is not enough. Until you demand that technology, rather than people, enable information sharing, and hold Cabinet Secretaries accountable for making it happen, the only certainty is that we will fail to prevent another attack. There are risks to information-sharing, as we learned from Wikileaks. But the tools exist to manage that risk.

Tomorrow's security challenges will pose many different types of threats

Third, we need to work harder to win "the war of ideas." Nearly nine years ago, a Defense Science Board Task Force on the then global war on terror concluded that the U.S. could never win the war on terror unless it won the war of ideas. Though there have been efforts made across two Administrations, victory in the war of ideas still eludes our grasp. We have failed to establish a comprehensive and integrated, all-of-government approach on that battlefield. A successful effort requires clear authority, accountability and responsibility within government, as well as the engagement of private and non-profit sector expertise.

Fourth, though there have been improvements in interagency coordination, overlaps and ambiguities still need to be addressed. From the debate between the military and the CIA on the battlefield to the debate on law enforcement versus intelligence in terrorism investigations, clarity is the only thing that will assure appropriate and complete use of existing legal authorities.

Clarity is needed, not only at the level of the Executive branch but also on the part of Congress and of the American people as well. Finally, we must resolve a number of difficult and elusive issues that are a continued source of doubt and controversy. These include the use of drones against U.S. citizens as well as targets that may be neither friend nor foe; the use of surveillance in both public and private places; and the future of Guantanamo Bay. We must zealously protect our Constitutional right to privacy and unnecessary or unwarranted government intrusion. But again, the national interest calls for clarity, certainty and transparency.

The dangers of the unexpected

Homeland security will become more difficult to assure in the future. Adversaries will be more cunning. Cyber aggression and other means to outwit our defenses pose new dangers. Budget cuts are a reality that will sharpen if sequestration occurs next January. Meanwhile, we live with a system that was largely designed a decade ago when the world was radically different.

Because we have been both good and lucky and perhaps because our enemies have found it easier to operate locally, protection of the American homeland is off the public radar screen. But one attack or incident can change that as dramatically as the burning of Korans did in Afghanistan. We must be prepared for the unexpected, because, as we have seen, a single incident can have strategic consequences. And we must continue to adapt, innovate and design our capabilities to confront emerging threats within greater resource constraints.

Because these issues are difficult to resolve, they require a public/private partnership unlike any we have engaged in up to now. Their resolution requires a nonpartisan approach to the nation's security challenges that has been elusive recently. Under your leadership, execution and implementation of the priorities and objectives set forth in this memo can, must and will be achieved. ■

***Frances Townsend** served as assistant to the president for homeland security and counterterrorism under President George W. Bush and before that in the U.S. Attorney's Office for the Southern District of New York. She is a national security contributor for CNN and a senior vice president at MacAndrews and Forbes*

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