Increasingly, national security depends on beefing up America's ability to rebuild nations.

"America is now threatened less by conquering states than by failing ones."
- National Security Strategy of the United States

In early 2000, before Osama bin Laden was a household name and while then-Gov. George W. Bush was in his first presidential campaign, "nation building," that nebulous term used to describe all manner of intervention aimed at bolstering fledgling democracies, was viewed by many on the political right as well-intended folly at best and a waste of blood and treasure at worst. Bush pledged to end U.S. involvement in such endeavors and to focus the military on its core competency - fighting and winning wars.

Such thinking largely evaporated in the wake of the Sept. 11 terrorist attacks. As James Kunder, the Agency for International Development's assistant administrator for Asia and the Near East, told the Senate Foreign Relations committee last June, "It was no mere coincidence that the Sudan, Somalia and Afghanistan served as al Qaeda's training and staging redoubts." Stabilizing the failed states and fragile societies most vulnerable to terrorist influence now is widely viewed as a fundamental security challenge for the United States and is reflected in the National Security Strategy, the most recent iteration of which was published in 2002. (The strategy is periodically updated to reflect evolving security assumptions and goals.)

Career military officers and civil servants long have recognized the importance of fostering stability in out-of-the-way places, and recent operations in Afghanistan and Iraq, which have stretched military forces to the breaking point, not only have reinforced that belief, but have highlighted serious shortcomings in agencies' ability to work effectively together toward common objectives. In the summer of 2004, the administration created a new State Department office, the Office of the Coordinator for Reconstruction and Stabilization, to plan and organize civilian agencies' response to crises overseas, either alone or in support of military operations. The fledgling office aims to draw on senior personnel across government to do in-depth advance planning for potential post-conflict involvement and to develop a deployable corps of diplomats and regional and technical experts who can work hand-in-glove with military personnel in the field.

Also, the Defense Department recently published a new policy that makes post-conflict stabilization a core military responsibility on par with combat. Defense officials say the new policy is aimed at avoiding a repeat of the failure to secure the peace in Iraq following the deposition of Saddam Hussein's regime.

The Bush administration's complete conversion to the merits of nation building was apparent when on Nov. 30 the White House released "Our National Strategy for Victory in Iraq." The document outlines political, economic and security goals. In the short term, the White House defines victory as "an Iraq that is making steady progress in fighting terrorists and neutralizing the insurgency, meeting political milestones; building democratic institutions; standing up robust security forces to gather intelligence, destroy terrorist networks and maintain security; and tackling key economic reforms to lay the foundation for a sound economy." In the longer term, the White House envisions "an Iraq... where Iraqis have the institutions and resources they need to govern themselves." In December, President Bush signed a directive charging the State Department with leading and coordinating the government's efforts to aid nations emerging from war.

Like it or not, the United States now is officially in the nation-building business.

PENNY WISE, POUND FOOLISH

Michele Flournoy says that outside the Defense Department few agencies devote significant resources to long-term planning. And even fewer have the operational capacity to act on those plans, adds the former Defense adviser on the department's 2001 Quadrennial Defense Review, now the senior adviser for the International Security Program at the Center for Strategic and International Studies in Washington.
"It is a simple fact that today, U.S. operational capability rests almost entirely in the Department of Defense," Flournoy says. And while missions involving multiple agencies have become routine - in the last 15 years alone, the United States has been involved in 17 significant stabilization and reconstruction operations, according to State Department officials - planning for such missions has been largely ad hoc.

The new Office of the Coordinator for Reconstruction and Stabilization in the State Department, known by the shorthand S/CRS, is an attempt to change that. Christopher Hoh, director for response strategy and resource management for S/CRS, says, "A lot of what we're trying to do is change the way the government does business in post-conflict situations."

"We have a few months really to affect the dynamic on the ground," Hoh says. "We've seen from the Balkans and Baghdad that if you don't seize that moment and create a positive dynamic then the subsequent work is much more difficult, it takes a lot longer and unfortunately costs a lot more in terms of blood and treasure. That's the context of what we're doing abroad."

But funding shortfalls have jeopardized operations before the office even is off the ground. Only 18 of an eventual 80 positions had been staffed on a full-time basis by late October; another 40 employees had been detailed to the office temporarily from other organizations. Even more troubling to State and Defense officials, in late November the House nixed the administration's request for $100 million in the 2006 budget to establish a Conflict Response Fund at State. The idea was that S/CRS would be able to immediately begin funding operations as soon as the need was recognized, although long-term funding for reconstruction and development still would go through the appropriations process. With the fund, State could exploit that narrow window of opportunity that longtime foreign aid workers refer to as the "golden hour" - the period before things spin out of control requiring ever more money and effort to resolve.

To explain the difference such a fund could make, Hoh cites an example in Afghanistan: "It took over two years to initiate the police training program," he says. He believes that large and expensive foreign aid programs should be scrutinized in the appropriations process, but the delay in funding can have damaging consequences on the ground. In the case of training Afghan police, the military, which generally has more flexible spending authority in war zones, was prohibited from funding civilian training. Yet the consequences of not funding that training fell most heavily on military forces charged with bringing order to the country. "If we had had some flexible response money upfront, we could have avoided that," Hoh says.

The idea of the Conflict Response Fund was so appealing to Pentagon officials - who believe the State Department's lack of capacity in post-conflict operations is a drain on military resources - that senior military officials spent the summer quietly talking up the fund and S/CRS to House and Senate appropriators. In fact, the only problem Pentagon officials seemed to have with the plan was that they believed the Office of Management and Budget was underfunding it. So last spring Defense Secretary Donald Rumsfeld requested that Congress grant the Defense Department authority to transfer up to $200 million to State in 2006 for such operations. Senior Pentagon officials say the offering is a sign of how desperate Defense is for civilian agencies to pick up some of the slack in post-conflict operations. It wasn't clear at press time whether Congress would grant the transfer authority.

State's Hoh is not throwing in the towel. "It's no secret that appropriators are not comfortable with contingency money. Generally appropriators want to know, when they're appropriating funds relatively narrowly, what the money is going for. So it's been a tough sell. It's been a doubly tough sell because it's a tough budget year - Katrina, the war, a variety of other things."

Nonetheless, Hoh believes the value of such a fund will become increasingly evident in the future. "Looking ahead, there are a lot of cases where we can expect to be heavily involved in a situation where the government has collapsed in some territory for whatever reason. . . . It's really a question of saying 'OK, we know now that you can't just say this is just a diplomatic problem, or this is a military problem, or this is an assistance and development problem.' You have to take all the tools of national power and have them work in a unified way. The military clearly gets it."

At CSIS, Flournoy oversaw a yearlong study involving more than 220 current and former civilian and military officials who analyzed the ability of government agencies to cope with threats facing the nation today. The study, "Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New
Strategic Era," was published this summer. It endorsed the creation of S/CRS as a necessary first step in reshaping government to more effectively deal with emerging threats.

As CSIS noted in its report, "America pays a very dear price for not having such capacity: mission creep for the military, longer deployments without obvious exit strategies and ultimately higher levels of cost, not only in taxpayer dollars spent in prolonged operations but also in American lives lost. At the end of the day, the cost of building meaningful civilian response capabilities would be far less than the costs associated with not having them."

Ambassador Carlos Pascual, who resigned in December as the head of S/CRS, told a gathering of Army leaders in October that the need for a robust capability within S/CRS is vital: "The most important payoff is in lives - the lives that can be saved. Even if we think about this in financial terms, if we had a capacity like this to get on the ground quickly, to make a difference to allow us to withdraw just one division from Iraq just one month early, we would save $1.2 billion, which is about 10 times the amount that we are requesting from the U.S. Congress for one fiscal year."