

Comments featured at the
2010 Topical Symposium:

Economic Security: Neglected Dimension of National Security?

Hosted by:
The Institute for National Strategic Studies
of
The National Defense University

24-25 August 2010

By

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Panel 1: The Economic Element of National Power

1. Following World War II, national security was viewed as having three dimensions
 - a. Diplomacy
 - b. Military
 - c. Intelligence
2. The National Security Act of 1947 codified this view.
 - a. Designated the statutory membership of the National Security Council as the president, vice president, secretary of state, and secretary of defense (and two lesser defense officials who soon disappeared)
 - b. Two statutory advisors – director of central intelligence and chairman, Joint Chiefs of Staff
 - c. The mindset is captured by the fact that the National Security Council is established in title 50 of U.S. Code, which is titled “War and National Defense”
3. This construct is still in place today.
 - a. With the minor revision of the Secretary of Energy being added to the NSC by Congress in December 2007.
4. Until recently, there was no formal recognition in the NSC system of the economic element of national security.
5. The traditional separateness of economic and national security decision-making is highlighted in the Asian economic crisis in 1997-1998.
 - a. The ad hoc nature of interagency relations weakened the potential for whole-of-government policy that might have better promoted U.S. strategic interests.
 - b. Treasury had the lead with little interaction with State and Defense.
 - c. The narrow U.S. focus on the financial aspects of the crisis overshadowed national security concerns to the detriment of long-term American interests in the region.
6. Nearly four years ago, PNSR began a debate about broadening the scope of national security
 - a. A central player in that debate was Leon Fuerth, today’s luncheon speaker.
 - b. Sheila Ronis, chair of this conference, was a very early proponent of broadening the scope of national security
 - i. Paper on “Economic Security is National Security” in October 1997
 - ii. Her paper also foreshadowed whole-of-government, whole-of-nation, and whole-of world concepts that have gained momentum in recent years
7. In its December 2008 report, *Forging a New Shield*, PNSR provided the following definition.
 - a. National security must be conceived as the capacity of the United States to define, defend, and advance its interests and principles in the world. The objectives of national security policy, in the world as it now is, therefore are:
 - i. To maintain security from aggression against the nation by means of a national capacity to shape the strategic environment; to anticipate and

- prevent threats; to respond to attacks by defeating enemies; to recover from the effects of attack; and to sustain the costs of defense.
- ii. To maintain security against massive societal disruption as a result of natural forces, including pandemics, natural disasters, and climate change.
 - iii. To maintain security against the failure of major national infrastructure systems by means of building up and defending robust and resilient capacities and investing in the ability to recover from damage done to them.
- b. It follows from these objectives that success in national security—*genuine* success over generations—depends on integrated planning and action, and on the sustained stewardship of the foundations of national power. Sound economic policy, energy security, robust physical and human infrastructures including our health and education systems, especially in the sciences and engineering, are no less important in the longer run than our weapons and our wealth. Genuine success also depends on the example the United States sets for the rest of the world through its actions at home and abroad.
8. The Obama administration adopted much of this thinking shortly after its inauguration.
 - a. General Jones’s statements and documents – February/March 2009
 - i. “The whole concept of what constitutes the membership of the national security community -- which, historically has been, let’s face it, the Defense Department, the NSC itself and a little bit of the State Department, to the exclusion perhaps of the Energy Department, Commerce Department and Treasury, all the law enforcement agencies, the Drug Enforcement Administration, all of those things -- especially in the moment we’re currently in, has got to embrace a broader membership.”
 - b. Admiral Blair’s testimony – In his February 2009 assessment of the threats to U.S. national security, Director of National Intelligence Dennis Blair asserted, “The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications.”
 9. Reiterated this year in the *National Security Strategy*
 - a. Broadened scope of national security – “This strategy calls for . . . a broad conception of what constitutes our national security.”
 - b. Whole of government – “strengthen national capacity – a whole of government approach”
 - c. Whole of nation – “we must tap the ingenuity outside of government through strategic partnerships with the private sector, nongovernmental organizations, foundations, and community-based organizations”
 - d. Whole of world
 10. Although this new thinking is quite welcome, at issue is whether it has been operationalized.
 - a. Do we have in place the statutory mandates, structures, processes, staff capabilities and competencies to fully integrate the economic element of national power into decision-making on national security issues?
 - i. The answer is no.