

AMERICA'S FIRST QUARTER MILLENNIUM: ENVISIONING A TRANSFORMED NATIONAL SECURITY SYSTEM IN 2026



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November 9, 2011



About the Project on National Security Reform

The transpartisan Project on National Security Reform (PNSR) was established to assist the nation in an urgently needed transformation of the national security system. PNSR has differentiated itself in many ways, especially by its vision for a future national security system, from numerous prior efforts that sought to rethink national security for the 21st century. PNSR envisions a collaborative, agile, and innovative system that integrates all elements of national power – both vertically and horizontally – and successfully addresses security challenges based on timely, informed decisions and decisive action.

PNSR has developed a network that touches the broad spectrum of public and private-sector partners and participants that are critical to traditional and nontraditional security threats and opportunities. Whereas the first phase of PNSR's work focused on identifying problems and developing recommendations, it subsequently has focused on development of tools for actual implementation and applying its holistic principles for long-term reform to many of today's challenges. This unique focus has provided a deeper understanding of the challenges.

The project is led by James R. Locher III, a principal architect of the Goldwater-Nichols Act that modernized the joint military system. PNSR's Guiding Coalition, comprised of distinguished Americans with extensive service in the public and private sectors, sets strategic direction for the project. PNSR works closely with other nonprofit organizations, universities, industry, and private foundations.



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FOREWORD

As America approaches the end of its first quarter-millennium, it stands at a crossroads. One way lays the path of inertia and declining returns from an aging national security system. The other way is the “road less travelled by,” leading to greater security and prosperity for future generations. To commit to this road, we must first envision its destination: a transformed national security system. A clear vision of a newly created system will point the way ahead for change, reduce fear of the unknown, attract commitment, and demonstrate that transformation is doable.

The Project on National Security Reform envisions an anticipatory, collaborative, agile, and innovative system capable of combining all elements of national strength, integrating intelligence, making timely and informed decisions, and taking decisive action. A transformed system would be characterized by a broadened and re-balanced concept of national security, whole-of-government and whole-of-nation approaches, unity of purpose and effort, and prioritized investments emphasizing strengths and opportunities. Catching up with the private sector, government organizations would be flatter, less redundant, leaner, more adaptive, teamed, and networked. Resources would be aligned with strategic goals. Collaborative among the departments and between the public and private sectors, the system would engage the full panoply of the nation's strengths, especially our still considerable “soft power.” Transforming national security would also help cause transformation of other government systems.

America's First Quarter Millennium, a short, modular vehicle, seeks to inspire a true “national conversation” to imagine this future. It is a public-working-draft, casting a wide net among a broad range of traditional and nontraditional stakeholders, to capture the best of America's collective wisdom and co-create a consensus for communication back to elites in and out of Washington. Written in the past tense, it looks back in order to look forward. In logical progression, its components include: comprehensive strategy; foresight and anticipatory governance; strategic management; interagency high-performance teaming; integrated and flexible national security resourcing; role of Congress; public-private partnering and global networking; and our greatest strength –human capital.

This paper forms a base document for launching dialogue and discussion. Web-based platforms, which can be accessed at www.pnsr.org, will provide the means for this commentary.

James R. Locher III
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Project on National Security Reform



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Where there is no vision, the people perish. (Proverbs 29:18)

TRANSFORMED NATIONAL SECURITY IN A TRANSFORMED WORLD

On the 4th of July in 2026, the United States of America celebrated the 250th anniversary of its independence. America was no longer the dominant power it had been for the last half of the last century. By traditional measures, the United States had either found itself a minority stakeholder in most international enterprises for which it had been trademark, such as technology and manufacturing, or it had handed over its position as number one, such as in gross national product, to other powers like China. Even America's vaunted military power was not peerless. While the economic and financial basis of that power had diminished, others had caught up in a now interconnected, globalized, and transformed world – a process which America itself had largely set in motion. There was no dominant power. Power had dissipated and assumed many other forms than 20th century relics such as tank divisions, bomber wings, and aircraft carriers that characterized U.S. mastery of the globe. It was now more about the power of ideas – but more importantly, how ideas could be communicated and made to work in people's lives. In fact, the power of nation-states alone had become less relevant than the influence of people and organizations networked outside of and within governments.

The United States had also entered a newfound era of relative strategic scarcity. It could no longer take abundances of resources for granted. Beyond reducing America's throw-weight, this relative decline translated into an end of unilateral freedom of action. "Asymmetric" threats had already mitigated longstanding U.S. advantages by the turn of the century, while global competitors could better bankroll their own agendas. Perhaps most importantly, information and social networking technologies and low-cost socio-cultural enterprises presented inexpensive equalizers to older, more costly, and more centralized industrial-era forms of power.

Security had become more than globalized; it also became more humanized. Waves of popular unrest in response to everything from food prices, public pensions, poor educational and job opportunities, wealth disparities, and energy and the environment evinced a groundswell of discontent with elites to deliver on socioeconomic fundamentals and essential public services. Security, prosperity, and social welfare were now intertwined. Security had become everybody's business. In the American psyche, security was something someone else in a uniform did somewhere "over there." But in an intricate, hyper-connected global ecosystem, where minor disturbances could have worldwide ripple effects in a matter of hours, that had all changed.

America had reached this point, partly because its relative decline was inevitable; but also because it had missed many opportunities to overhaul a system of national security governance that had not really changed since 1947. The first of these opportunities was at the end of the Cold War, another following 9/11, and yet others, for example, during the Obama administration, the withdrawals from Iraq and Afghanistan, and the massive downscaling of defense and intelligence that followed. With each opportunity deferred, the costs of change went up while the better and more available options diminished. More than the rules had changed – the game had changed. While the rest of the world was long playing in a paradigm more like real football (e.g., soccer), the U.S. pattern had stuck to its own unique version with the same name. In denial about the transformed global landscape and America's changed abilities, many failed to heed columnist Thomas Friedman's 2011 warning that Americans needed to choose between a "bad decade" of painful reforms or face a "bad century" of both real and relative decline.

Yet, the United States eventually re-invented its global leadership role – as a nation, beyond and including the state. Despite bitter partisanship, government dysfunction, and the resistance of those most interested in maintaining the status quo, the United States was finally transitioning from dominance to leadership. In a transformed world, the United States, was belatedly transforming itself, first and foremost among civil society and business communities beyond the Beltway. As a consequence of bitter failures and harsh events – and a lot of lost ground – its body politic finally overcame itself and renovated governance. This came in part by transforming the national security apparatus dominating the American federal government since World War II into a true system, more modest and conducive rather than injurious to prosperity, and more appropriate to America and its place in the world. Chief among the reasons for that was a gradual consensus around a vision of what that system should look like.

The national security system the United States had finally adopted was more anticipatory, collaborative, agile, and innovative. It was more capable of combining all elements of national strength and power, integrating intelligence, making timely and informed decisions, and taking decisive action. It went beyond whole-of-government to whole-of-nation. American leaders had learned to think globally and act locally – strategically rather than operationally. They prioritized investments in strengths and opportunities over threats while lowering costs and risks. They placed economic development and diplomacy out in front of defense. Echoing changes in the business community, agencies became leaner and flatter, less redundant, more adaptive, teamed, and networked. Resources were driven first by strategic goals, jettisoning the wasteful mindset of a surplus mentality. Shaped for collaboration among departments and between the public and private sectors, the system was more inclusive, engaging much more of America's still considerable "soft power" represented by its ideals and dynamic, multicultural society.

The transformed national security system – largely codified in the landmark National Prosperity and Security Act of 2017, or NPS-17 – was part of transformed governance writ large.

Breakthroughs like NPS-17 and the new national security system were the result of a series of formative incremental changes. The merging efforts of multifarious constituencies, in and out of Washington, were in turn driven by burgeoning popular dissent. National security was now as much as an outcome of fiscal solvency and economic balance, education and health care reform, infrastructure investments, and other aspects of national strength and competitiveness. America's youth, the greatest of stakeholders, became energized largely through social media, capturing the wisdom of the American crowd and co-creating a tipping point.

For those better versed in the national security business, it was flawed for numerous reasons: lack of an integrated, comprehensive national strategy; severe systematic and structural imbalances resulting in lowest-common-denominator policies, resource inefficiencies, and other institutional weaknesses; weak collaboration and interagency teaming at all levels; an overburdened, under-resourced, and poorly supported National Security Staff; executive agency structures that were highly reactive, with few strategic management functions and processes in place, unable to think and act strategically, and suffering from the "tyranny of the inbox" in a flattened and complex decision-making environment; resources aligned more with the inertia of the military-industrial complex and its "iron triangles" between executive agencies, congressional committees, and defense industries than with strategic objectives – thus disconnecting strategy from increasing budget restraints; and, fragmented legislative oversight and the absence of an operating "big-picture" in Congress.

The vision for the new national security system that emerged featured components to address these flaws – in logical progression: a comprehensive national strategy; foresight and anticipatory governance; national strategic management; interagency high-performance teaming; integrated and flexible resourcing; a revised role for Congress; finding strategic balance in public-private partnering and global networking; and America's human capital.

A COMPREHENSIVE STRATEGY

The first component of the vision of a new national security system was a refreshed idea of America and its place in the world, leading to a correspondingly more strategic approach.

The call for a truly comprehensive strategy of the United States was of historic proportions, beyond the fact that America had had no unifying concept of itself and its place in the world since the fall of the Berlin Wall. Consider this: Since about the war of 1812, Americans did not have to care much about the rest of the world – they could afford their “splendid isolationism”; since the Civil War, the U.S. looked to win its wars, deter its adversaries, and assure its allies through overwhelming industrial and technological superiority predicated on an abundance of cheap resources, cheap labor, cheap energy, and cheap capital – it could afford a wasteful, surplus mentality; and since 1945, it had been clearly the dominant power in the world – it could afford to maintain its unilateral view of sovereignty while everyone else was internationalizing.

By the turn of the century, the foundations of that long-held world-view were crumbling. In all walks of life, Americans had to learn to look at things more globally and with a longer view.

In other words, they had learned to think more strategically.

Strategy is fundamentally about making choices about the future, and a strategic mindset is driven, more than anything, by scarcity. Because Americans once had everything, like adolescents, they didn't have to make choices. Now, as aging adults, they had to choose in advance, setting priorities, and making tradeoffs.

Some began to call for the re-creation of an American “grand strategy.” Grand strategy provides the highest-level linkage of national ends, ways, and means across all elements and sources of strength and power. There was a huge void, as U.S. leadership had not put forth a genuine grand strategy since the end of the Cold War. President Eisenhower's Project Solarium of 1953 was the last deliberate attempt at formulating a national grand strategy.

Many critics argued that periodic national security strategies, such as the disjointed plethora produced during the Bush administration, while required by law, only expressed goals without regard for ways and means. A true strategy, they argued, is based on a careful analysis of the global environment – threats, opportunities, risks, competing goals, and resources.

One of the key innovations was that of an “illustrative grand strategy” to begin the process of filling the grand-strategy void by initiating a debate about alternative futures and strategic choices available to the nation. These symposia and gatherings engaged a bipartisan, representative group of nation-wide and international stakeholders in the co-creation of an illustrative grand strategy. They were useful not because they produced any breakthroughs such as the “Mr. X” article that formulated American grand strategy for the Cold War. Rather, they informed government and political debates, grounded decisions in greater substance, and raised public awareness and expectations, slowly leading to a consensus.

Of particular note was a shift away from a threats-based approach to strategy to a strengths-based approach, enhancing America's inherent advantages through instruments of national strength, power, and influence (including, for example, sound economic and trade policies, energy security, immigration, education systems, and innovation and invention – in the arts as well as in sciences and engineering). Of equal importance were the results of permanent changes to the American fiscal and financial landscape in the wake of the Great Recession and the economic stagnation that followed. These included: balancing funding across these national capabilities; policies to strengthen the foundations of national strength and power; and development of organizational capacities and characteristics especially among civilian agencies.

FORESIGHT AND ANTICIPATORY GOVERNANCE

If the United States was to think and act more strategically, its government had to take an approach more like Hall of Famer Wayne Gretzky, who observed: “A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.” In other words, think and act with greater foresight. Or, as former National Security Advisor to a Vice President and Project on Forward Engagement leader Leon Fuerth pointed out:

Survival depends on agility, and agility depends upon the capacity to adjust behavior correctly, under conditions where time for perception is contracting. In human affairs, it is not possible to predict the future; but it is possible to study alternative futures and become more prepared for a range of contingencies, and gain time for organizations to prepare to deal successfully with surprise... It reflects a basic truth: that there is no riskier approach to national security than building it on the assumption that the future is a linear extension of the past... Continuity is an illusion; and change is our reality. Predictability is a chimera; but probability is a guide to humility in the presence of irreducible unknowns... Our political system depends on the wide dispersal of talent and initiative throughout the nation. The American people do not stand around waiting for Washington to tell them what to do. But they do depend on Washington to act as a wise agent on their behalf [and] on the President to speak for their needs and their beliefs.

“Anticipatory governance”, as he termed it, is a complex system of systems. It is an aggregate of institutions, rules sets, and norms – greater than the sum of its parts and with its own comprehensive set of characteristics. It provides a way to use foresight, networks, and feedback to create and exploit opportunities, reduce or mitigate risks, and increase capacities to shape and respond to events at earlier rather than later stages of development.

During the time of the Obama Administration, there were numerous proposals for development of foresight mechanisms for the Executive Office of the President. Among these, and eventually adopted, was the United States Center for Strategic Analysis and Assessment.

The Center’s role is to continually scan the future and serve as a venue for the President to develop and refine grand strategy. The Center brings together a Community of Interest on Foresight to advance “actionable foresight,” defined as the disciplined analysis of alternative futures that provides decision-makers with the understanding needed to better influence the future environment. The main test is in determining how to incorporate foresight into the decision-making process so that it is seriously considered and acted upon. The Community of Interest, starting with hundreds of members from across the federal government, state and local governments, business, and academia from numerous countries, represented a whole-of-society national security stakeholder steering mechanism that informed the national strategic management process.

One of the first successes the Center scored was in helping the administration and the national security team anticipate the groundswell of social and economic unrest in West and Central Africa in the mid-2010’s and, in some cases, direct national action in such a way to not only position the United States, its allies, and the countries in question in a situation to generate a peaceful, profitable, and sustainable outcome, but at low cost in blood and treasure among all stakeholders. It coordinated intelligence with the work of relevant agencies, gamed U.S. approaches in a government teaming effort, and worked closely with international organizations like the United Nations, non-governmental organizations, and private enterprises. This helped indigenous governments address drivers of conflict, as preventative measures to bolster legitimate governance and stability; and, it helped organize international assistance to mitigate much of the violence associated with inevitable transitions to greater democracy there.

STRATEGIC MANAGEMENT

At the turn of the century, national security in the United States was clearly not being managed effectively as a *system*. Its deficiencies often forced presidents to use informal, de-linked arrangements (czars, special envoys, etc.) leading to an excessive focus by a small, overwhelmed group on the immediate but not the important. Insufficient attention was devoted to foresight and an all-inclusive approach to interagency cooperation – ranging from a comprehensive, actionable national security strategy to planning and resource guidance for departments and agencies, to oversight of policy implementation and assessment of the interagency effort, and to development of a national security system. The hodge-podge of interagency committees focused almost exclusively on policy formulation and crisis response. Yet, policy was useless if the system it directed was broken. Composed of secretary, deputy secretary, assistant secretary, and working-level officials, policy-formulation committees were often dominated by clashes of department interests. They frequently failed to move issues to conclusion, resulting in lowest-common-denominator truces among departments, producing weak policy recommendations, or forcing principals to operate outside established processes.

In short, the United States Government had a serious management problem.

At the time, the insights of a new wave of business gurus such as Gary Hamel were instructive to identifying the core problem of national security – and governance as a whole:

What accounted for fundamental shifts in longer term advantage was not operational-level innovation. It wasn't technology or product innovation, or new business models, or a new way of thinking about the whole industry. Again and again, it was management innovation – breakthroughs in how to organize and mobilize human capabilities.

As in the private sector, public sector management had to become more strategic, as it became clear that outdated government practices were the greatest impediment to national success. As then strategic management ace Michael Hammer put it: "The secret of success is not predicting the future but creating an organization that will thrive in a future that cannot be predicted."

Accordingly, transformation of the strategic management process – the third major component of the vision of a new national security system – began first through quiet but bold executive leadership, mainly in the interagency space between the president and departments and agencies. Through a series of executive decisions and orders well within presidential purview, the role of the National Security Advisor and a more robust National Security Staff evolved from an advisory to a directive function, later confirmed in the NPS-17 legislation

Innovations such as formalizing National Security Staff functions for foresight and interagency strategic management, nesting and synchronizing national strategy documents, and formalizing interagency teaming processes around specific strategic issues, enhancing NSS performance as strategic manager of the national security system. It also integrated the Staff in an interagency management system, based on the dual concepts of strategic management at the highest level of the national security system and decentralized execution underwritten by a holistic, strategic approach. With the Center for Strategic Analysis and Assessment at the disposal of the Executive Office of the President, the National Security Council could at last fulfill its more logical role as a strategic sentinel and get beyond the "tyranny of the in-box."

Strategic management and decentralized execution is the management application of "thinking globally while acting locally." Together, they encompass policy and strategy formulation, strategic planning, and lining up resources with national security missions that implicate the work of many agencies – ends, ways, and means. Implementation is likewise guided and directed above the agency level, in support of a teamed national security interagency system.

INTERAGENCY HIGH-PERFORMANCE TEAMING

The key to transformation of the national security system and the strategic management process was a system framework that organized the effort, guiding, connecting, and sequencing specific actions to realize the larger vision. In the mid-2010's, based upon governmental and commercial experience and with the assistance of management-science experts in the private sector, a coalition of think-tanks and advocacy groups developed a detailed roadmap and scorecard to chart the path. It enabled government leaders – assisted by nongovernment experts – to design and implement the changes needed to convert the U.S. government's organizations, processes, and culture. It addressed a longstanding false assumption: That policy initiatives and energetic political leadership alone would be sufficient to shift mindsets and behaviors. The system could no longer be tinkered with. It needed overhaul.

This fourth visionary component was another series of executive innovations later affirmed in the NPS-17 legislation. It created a new type of government organization specifically for the purpose of increasing collaboration across organizational boundaries and managing missions of national importance from policy through implementation and evaluation – from “end-to-end.” These small interagency teams were mission-focused and interagency-centric. Some were *ad hoc* and assigned temporary missions. Others were established for permanent management of critical missions, and some were augmented by larger permanent staff and organizational support functions. These interagency teams began as experiments and quickly caught on as they proved their worth with dramatic, real-world results. Their initial use was stimulated in part by a landmark study published by the Institute for National Strategic Studies at the National Defense (now National Security) University in 2012, entitled “*Interagency Teams: Past Practice and Future Performance.*” The study demonstrated conclusively that such teams could be highly effective and identified the variables most closely associated with high performance.

At first, the teams required presidential and other senior-leader protection, but over time the functional departments and agencies that dominated the national security system saw them as less of a threat to their equities. It became clear that the teams were assigned only missions demanding intrinsically interagency responses, missions that no single department or agency could lead or execute alone with any degree of success. As the interagency teams generated clear value-added outcomes, departments and agencies began to support them more and eventually did so routinely, thus enabling the national security system to embrace interagency collaboration and high-performance teaming wholeheartedly. The President resorted to the use of small interagency teams with greater frequency as well as for a wider range of missions. As the 2010's ensued, interagency teams tackled not just immediate foreign policy crises but such broad issues as economic competitiveness, energy, climate change and the environment, education and international social networking, international organized crime, and others.

In the years leading up to 2026, the network continued to expand and build teams that blended public and private knowledge and expertise. These networks and teams are now well-positioned to co-create and pilot well-grounded strategies to seize upon opportunities and anticipate challenges, leading to huge resource savings in particularly blood and treasure.

Building upon the successful cross-boundary collaboration of the mission-oriented interagency teams, the President created civilian-led integrated regional centers for each major world region. These centers, the equivalent of regional “country teams,” enabled a whole-of-government approach in the execution of U.S. national security policy in each region. As part of this holistic approach, the geographic combatant commands of the Department of Defense became subordinate components of the integrated regional centers. This organizational innovation finally achieved the long identified need to address security issues on a regional basis.

INTEGRATED AND FLEXIBLE NATIONAL SECURITY RESOURCING

For a long time after the Cold War, the need to better synchronize the elements of power and influence that could be made available to the United States was being driven primarily by two strategic imperatives: the constraints of a transforming security environment and restraints of diminishing resources in the face of higher costs, risks, and demands for intervention. Although the first had been broadly recognized, it took a series of economic, financial, and fiscal crises to gain appreciation of the second. In the wake of the contentious elections of 2012 and 2014, centering on America's unresolved debt crisis, resource restraints had taken over environmental constraints as the primary driver of national security formulation.

Linking national security priorities and the budget so that senior officials could make informed decisions across the whole system was now compulsory. (The first signs were the integrated Overseas Contingency Operations budgets and the dual State-Defense Global Security Contingency Fund for conflict prevention. The National Counterterrorism Center, or NCTC, now looks across agencies for resourcing the whole counterterrorism mission.) By the time of the next general election, in 2016, relevant portions of individual department and agency budgets were beginning to be presented in an integrated national security budget, starting with the Departments of Defense, State, and International Development.

The transition from allocating resources by departments and capabilities to a prioritized mission-based approach had begun, allowing for substantial savings as well as improved effectiveness by transferring funds to areas that were more sustainable, agile, and strategic. An uneven path toward a new resource allocation system ensued amidst vigorous debate and push-back from more traditionally minded agencies, constituencies, and legislators. Again, this came about first through executive innovations leading to legislative acts such as NPS-17 and other legislation.

By 2020, the pieces were finally in place - an integrated national security budget was now the norm. Key elements included: linking the now nested and synchronized strategy documents to the budgetary process; using alternative budgets to reflect scenarios for alternative futures (as one reformer noted: "There are many possible futures, so why do we have just one budget?"); institutionalizing a new set of transfer and contingency funding authorities and dynamic planning practices to meet short-term emergent contingencies, fund new initiatives, and accommodate shifting priorities; using the budgetary process to develop strategic priorities by regularizing a strategic management interface between the National Security Staff (NSS) and the Office of Management and Budget (OMB); and, translating long-range priorities into language compatible with the congressional appropriation cycle by breaking the national security budget down into kick-start-able portions through a Component-level Implementation Process.

The long-term budgeting process works this way:

- First, the NSS and OMB lead a Quadrennial National Security Review in the first year of a presidential term.
- Second, the President provides the departments and agencies annual National Security Planning and Resource Guidance that frames and makes strategic resource decisions.
- Third, each department and agency prepares six-year alternative budget projections derived from the Quadrennial National Security Review and National Security Planning and Resource Guidance.
- Fourth, the NSS and OMB use the Guidance as a baseline for ensuring department and agency compliance in their budget submissions.
- Fifth, OMB develops a framework for feedback that promotes accountability in mission performance, organizational learning, and reevaluation of priorities.

In all of this, perhaps the most revolutionary changes were in the oversight and budgetary roles of Congress in the national security formulation, management, and resourcing process.

THE ROLE OF CONGRESS

Transformation of the national security system was impossible without the full support of Congress, the most fundamental branch of government. Although executive orders, presidential directives, and agency regulations were able to advance many necessary changes, transforming the system ultimately required new legislation. Congress had to grant new authorities to permit application of modern organizational practices, such as empowered interagency teams and national security personnel systems. In addition, the force of law was required to sustain transformation through to full implementation. Despite the urgent need for Congress to act, political toxicity on Capitol Hill in the 2010's precluded the necessary attention span. A continuing erosion of America's considerable lead in many areas of international competition resulted, hastening national decline and spiking public concern.

Finally, the devastating consequences of the budget crisis that began in 2011 sparked a fundamental reassessment of the national security system. As Nehru observed, "Crises and deadlocks when they occur have at least this advantage; that they force us to think." And Congress began to think. It initiated an unrelenting search for new means of government efficiency and effectiveness. Early work revealed the connections among government dysfunction, strategic mismanagement, national security failures and surprises, and American decline. Lacking knowledge about the interagency system and modern organizations, Congress struggled to understand the deficiencies in the national security system and how to fix them.

Fortunately, Congress began the process by reforming itself, the organization it knew best. Many understood that congressional preoccupation with departments and agencies – the individual components of national security – was a mismatch with reality. It denied the ability to see the whole and marginalized the role of Congress on the most fundamental national security issues. No committee had the jurisdiction to oversee national security missions with their multi-agency participants. Like the merger in 1946 of the Military Affairs and Naval Affairs Committees prior to the National Security Act of 1947, congressional leadership determined the need for a whole-of-government perspective on Capitol Hill. Both houses created Select Committees on National Security Affairs and appointed to them representatives from each committee with national security responsibilities, making them the congressional equivalent of interagency teams. These gave Congress an entirely new and increasingly important jurisdiction: the interagency dimension of the executive branch. It was increasingly apparent that it was in this dimension that the most important national security work would take place.

These select committees transformed Congress's outdated, department-centric practices, championing neglected interagency bodies such as NCTC's Directorate of Strategic Operational Planning. Jurisdiction included: all interagency strategies, operations and activities; interagency organizations, commands, teams, and embassies; interagency funding; interagency personnel policies, incentives, education and training; nominees for Senate-confirmed interagency positions; and oversight of the National Security Act of 1947 and any new national security act.

The Senate and House Budget Committees also seized on the need to look more broadly at national security budgets. In the GPRM Modernization Act of 2010, the budget committees had mandated the creation of broad, cross-departmental goals, leaders, and teams. Understanding that a results-oriented approach was needed for national security, the budget committees required the president to submit an integrated national security budget, organized by national security missions and other outcomes. This permitted Congress to make tradeoffs across missions and outcomes and to identify redundancies and deficiencies in mission resourcing.

As with Goldwater-Nichols, Congress was forced to formulate new legislation, albeit slowed by department and agency appeals, legislative parochialism, and partisan politics. Despite the urgency, it took Capitol Hill years to approve the National Prosperity and Security Act of 2017.

FINDING BALANCE IN PUBLIC-PRIVATE PARTNERING AND GLOBAL NETWORKING

Transformation in both the executive and legislative branches also required implementation of broader societal changes, putting new concepts for leadership, responsibility, funding, organization, teamwork, and accountability into practice. Until the early 21st century, the organizational culture of the United States Government was in great part characterized by an overwhelming “national security state” – hallmarked by a professionalized military. This had led, for instance, to the “militarization of foreign policy” and the “securitization” of foreign aid. National security – and much of the government with it – had become separate, distinct, and disconnected from much of the rest of American society. Like any industrial-era organization, the American government had become too big and bureaucratic, even to get out of its own way.

By the 2010's, the business community and civil society organizations had accelerated towards flat, open, and lean organizational structures. Transformation through democratized management and widespread collaboration and teaming were now commonplace among 21st century commercial enterprises. But not in the government. The dysfunction, exacerbated by partisan gridlock, had become so complete that, in the aftermath of the 2012 elections, much of the drive and expertise for transformation had to come from the political influence of a broad sector of public and private partners outside of Washington. Transformed national security would therefore need to engage the whole of society, with strong implications for the private sector's role in shaping transformation. Hence: "It takes a nation to fix a government."

Because it could not fix itself, the federal government needed help from state, local, tribal, territorial governments, businesses, nongovernmental and civil society organizations, academic institutions, think tanks, and so on to act as agents of change and reform. Innovation, flexibility, and resilience were the characteristics to be cultivated for America to maintain its competitive edge, influence, and leadership role – characteristics found largely in the private sector.

These organizations, especially the business community, had been aloof to national security and government reform. They saw security as the government's business. By the mid-2010's, however, when America could not get out of its economic doldrums, and when public discontent with American political-economic management from the top down reached its peak, these interest groups became seized of the dysfunctional public sector as the greatest impediment to their own success, linked to American success at large. The building constituency for change had reached a tipping point – bystanders had now become stakeholders.

Like any successful business wanting to survive and flourish in a hyper-connected and globalized 21st century economy, the United States needed a national security system that could develop an overall strategy with clearly defined ends, yet with adaptive and anticipatory ways to execute it and the means to provide timely resources and adequate authorities in support of national goals – effectively, efficiently, and at minimum cost to the American taxpayer. By the mid-2010's, the fundamental connection between the economic and financial vitality of the United States and American national security writ large was now abundantly clear, although the warning signs had been there. It was remarkable, for example, when a Secretary of Defense (Robert Gates) and a Chairman of the Joint Chiefs of Staff (Admiral Mike Mullen) resoundingly noted that government debt was “the greatest national security threat to the United States”.

A groundwork had already been laid. The *National Security Strategy* of 2010, which called for “...a comprehensive range of national actions, and a broad conception of what constitutes our national security”, emphasized its foundation as economic, social, and moral. It looked to “...tap the ingenuity outside government through strategic partnerships with the private sector, non-governmental organizations, foundations, and community-based civil society organizations.” The government also sought to “lead through civilian power” as enunciated in the first *Quadrennial Diplomacy and Development Review*.

Even in defense, persistent engagement strategies – especially those to “build partnership capacity” as well as establish and cultivate relationships – were now central to defense strategy. Greater policy commitment went to the “whole of nation,” emphasized broader-based influence over more concentrated, coercive forms of power, and looked more to internationalize, legitimize, and globalize the larger political-military effort. Given the relevance of “soft power” and “global public engagement” to the 21st century international environment, this inherent comparative advantage the United States can cultivate could no longer be squandered.

However, no “paradigm shift” would occur until changes in policy and doctrine were reflected in programs and budgets. This owed, more than anything, to burgeoning fiscal pressures on the Federal Government and especially DoD. However, the initial U.S. response was to “circle the wagons” around familiar “warfighting” programs and cut engagement and conflict prevention programs not only more appropriate to the times but bringing the greatest value-added. Even after U.S. involvement in Iraq and Afghanistan wound down, national security transformation met stiff resistance in the form of deeply entrenched inertia resident in industrial-era national security institutions and constituencies, perpetuated by the myth of that national security, as the dominant force in American governance, was performing up to task.

In fulfillment of Churchill’s famous observation about Americans, all the other alternatives had to be exhausted before the right thing was done. Driven by fiscal urgencies, outside pressures, and the impetus to re-connect the government with a civil society that had far outpaced it, public-private collaboration in numerous areas became the programmatic norm. Perhaps ironically, the Defense Department was better positioned than many of its interagency partners in branching out beyond its core competencies to integrate defense with diplomacy and development. A primary way that DoD, with the urging of Congress, institutionalized public-private partnering was by exploiting the many advantages of the Reserves, along with its contracting sources, as conduits of public-private partnering and maintaining the military’s connectivity to American society – as well as a shaping force to national security transformation.

Beyond interagency stability and reconstruction operations, the ounces of conflict prevention to mitigate the pounds of crisis response demanded greater integration of non-military and “softer,” more persuasive elements of power – resident in the civilian agencies and especially the private sector. This was especially true when considering the opportunity to introduce market forces and commercial enterprises as stabilizing and mitigating factors to engagement activities that feature heavier economic development content – prospects, in turn, for these enterprises to develop markets abroad. Applied strategy became more about opportunities than threats.

Beyond the intrinsic power of market forces as agents of change abroad, the private sector offers a number of comparative advantages not resident with government institutions. These include unique access to human and other resources, networks, longer-term commitment, sustainability, and surge capacity. In many ways, the private sector can get things done “faster, better, cheaper” – and with far less (political) risk. This proved particularly true with regard to the many public-private disaster relief operations, both inside and outside the United States, seen throughout much of the 2010’s. As implementers more than deciders, the private sector has a different approach to risk and opportunity. Moreover, economic and commercial development efforts internationalize, legitimize, and humanize the political-military effort.

Complementary to comprehensive engagement, the private sector became an even more important multiplier in leveraging critical knowledge, skills, and strengths, particularly in the soft power largely resident in their workforce and through associated social media networks connecting American society with world society. More than anything, the globalization of American human capital and its increasing connectivity to a world where the relationships between peoples began to overtake relationships between governments would do more to ensure America’s standing and influence in the world than anything else.

THE GREATEST NATIONAL STRATEGIC ASSET – HUMAN CAPITAL

America's greatest natural resource and comparative advantage is a dynamic, multicultural society drawn together by a unifying concept that transcends human categorization – *e pluribus unum*. Beyond personal freedom, opportunity, and social mobility, American national values are codified in this simple yet sophisticated inspiration.

The unique amalgamation of both an immigration and assimilation culture is at the heart of the American ideal. American values are the true foundation of its strength and power. In application, they make the United States an exceptional “nation of nations” and uniquely position it as a leader in a multipolar, multicultural world. (Values, in turn, are what should define national interests, which inform policy and strategy, which then shape operational doctrine, and which finally guide tactical decisions and individual actions.) A comprehensive, coherent, and coordinated American grand strategy, horizontally as well as vertically connected, is what enables not only “thinking globally while acting locally,” but “thinking in the future while acting in the present.” When Americans, in both public and private walks of life, are so appropriately empowered, amazing things happen.

Changes in organization, authority, and human capital are thus the basis for the most profound transformational effects, ultimately contributing to a new culture that is focused on integration and higher-level goals. Training, education, practical experience, and changes in individual incentives also enable this cultural shift. All of the aforementioned components of the emerging new national security system were the enablers to this ultimate game-changer.

In the microcosm of the public sector in the 21st century, having national security professionals with the right capabilities for addressing complex problems is no longer nice-to-do. It is must-do. As early as 2012, the Senate and House formulated a national security personnel system for enactment, inspired in part by the seminal work, *The Power of People*, the previous year. As with many other aspects of national security transformation, political distractions came into play. With NPS-17, the United States government had instituted the Integrated National Security Professional System, a personnel system to develop and manage interagency national security professionals in order to improve collaboration across the full range of missions and processes. It enabled a more integrated approach to key areas such as civil-military operations, intelligence and law enforcement community efforts at home and abroad, and multi-agency, multinational disaster response. More importantly, it enabled the U.S. government, in partnership with civil society, to exercise global influence in unprecedented, anticipatory ways around the globe.

This integrated human capital approach – across interagency, intergovernmental, and public and private areas – also effectively confronted many other challenges to national viability and vitality, such as financial, food, health, energy, environmental, and infrastructure aspects. As complex national security threats and opportunities that demand whole-of-society approaches increased, American human capital, especially within the government, had to be prepared to meet the demands and requirements of the transformed national security environment in a new era of strategic scarcity.

Just as the military learned to train and equip its forces to conduct a broad range of joint military operations and under joint military doctrine resulting from the Goldwater-Nichols Act, the President and Congress were convinced to invest strategically in an Integrated National Security Professional System to educate, train, and incentivize holistic, anticipatory, and more strategic approaches to longstanding and day-to-day priorities.

The realization of the vision of a transformed national security system positioned the United States and its people to benefit from enormous immediate and potential returns on investment.

REALIZING THE SOCIAL RETURNS ON INVESTMENT

Already by 2026, national security transformation would have far-reaching benefits. In addition to renewing America's leadership role and the American way of life, it enabled a rebalancing of resources through a reduction of enduring emphasis on increasingly inappropriate, overly expensive, and overly risk-laden "hard power" at the expense of economic competitiveness, education, and other people-centric foundations of national strength in the 21st century. Moreover, it brought the two together strategically. Transforming the national security system generated numerous values-added for the United States, its citizens, and the world at large:

- It significantly improved U.S. national security at dramatically lower cost, overcoming the great ineffectiveness and inefficiency of the old Cold War system. By establishing operating principles that emphasize national missions and outcomes, collaboration, and integrated effort, the new national security system surmounted the counterproductive parochialism, competition, and separateness of the departments and agencies. By creating a process for the formulation of strategic guidance from the President, unity of purpose was achieved, and policies and programs were synchronized across the government. By establishing the capacity of the National Security Staff for strategic management of end-to-end processes of policy formulation, strategy making, planning, implementation oversight, and assessment, a rigorous system for realizing the desired outcomes of policy goals was realized. By instituting collaborative approaches and interagency teaming, unity of purpose at the national, regional, and field levels was achieved. By enabling the engagement of the full range of civil society's capabilities and by promoting strategic partnerships between the federal government and the private sector, nongovernmental organizations, foundations, and community-based organizations, a highly beneficial whole-of-nation approach emerged.
- It contributed to deficit reduction. By reforming the national security budgeting process, resources were at last aligned with strategic objectives. By creating the capacity to address threats and opportunities when first seen, they could be pursued at lower risk and cost. By eliminating unnecessary duplication of effort in department and agency programs and activities, wasteful expenditures were avoided. By developing an in-depth system of metrics to evaluate performance, needed corrective actions were quickly identified. By providing for more rigorous accountability and oversight, system performance was strengthened.
- It rebalanced government investments to build national strength and compete globally. By focusing the President's budget request on missions and other outcomes, resources were allocated in ways to maximize impact. By preparing an integrated national security budget, useful tradeoffs among department and agency budgets were made. By broadening the scope of national security as an outcome of the economy, energy, health, trade, education, immigration, and the environment, the security, prosperity, and foundations of national strength were better promoted. By strengthening the capacities of civilian departments and agencies to play more robust roles in providing for the nation's security, the enduring dependency on military approaches was reduced. By creating means for Congress to oversee whole-of-government strategic missions, the legislative branch more usefully contributed to preparing the nation for the most important challenges of the 21st century.
- It renewed U.S. global leadership and influence. By compelling attention to and creating a systemic process for the formulation of grand strategy, the nation's long-term interests could be better pursued. By strengthening foresight and anticipatory governance capacities, the national security system identified and acted earlier on new threats, challenges, and opportunities. By creating a more inclusive culture and mechanisms that enable whole-of-government, whole-of-nation, and multinational approaches, the national security system leveraged untapped capacities and more effectively engaged at home and abroad.

- It helped create a tipping point for overall government reform. The national security sector has often been the source of innovations in government performance. By moving to flatter, leaner, more responsive government management, the national security system established the new standard for federal government performance. By creating a 21st century national security workforce, properly prepared and incentivized, a new government-wide approach to human capital was initiated. By improving continuity during changes of administrations, the nation's long-term security and prosperity were better assured. By promoting mutual confidence and a cooperative executive-legislative partnership, the nation benefits from a more productive government that the American people could once again believe in.

A CALL TO ACTION

By the end of the first quarter of its third century, the United States of America had come off the ropes. Growing politicization in Washington had delayed a transformation in national security governance that should have happened in 1989 – at enormous cost and with certain, irrevocable loss of international stature. Like Rip Van Winkle, Americans awoke to discover that their considerable lead in many areas of international competition had evaporated, eviscerating an over-inflated self-image of American omnipotence, entitlement to greatness, and “imperial hubris” – and fueling public anger and frustration. Eventually, the connection among government dysfunction, strategic mismanagement, and American decline was too obvious.

A consensus then grudgingly emerged, overcoming internal divisions and creating a system that delivered among the most essential of public services. Americans did this not only because of their characteristic pragmatism – “if it’s broke, then let’s fix it”. They did this because of their innate ability to embrace change and move on and ahead. America, in and of itself, is a journey whose signposts are frontiers and whose destination is ultimately that of the world's and is therefore uncertain. If there had to be a moment of truth for the American collective consciousness to induce change, the bitter failures and harsh events of the 21st century’s first decade and a half – and the looming possibility of national meltdown – had finally brought it on.

Americans, as a whole, eventually and in their characteristically most haphazard of ways, overcame their fear of a new age of uncertainty and the unknown, realizing that America could not long remain the land of the free if it was no longer the home of the brave. Indeed, leadership at the right places and times once again played a vital role. Yet, change in America came about in the most reliable of ways – from a groundswell of public opinion and of active constituencies who looked beyond their front yards to a much larger world, connected to it by an explosion of social media. The call to action had been heard by enough, especially among the generations who have the greatest stake in the American future. Bystanders had now become stakeholders. Once the momentum had finally overcome the inertia, it was unstoppable.

As America’s first quarter-millennium ended, a new era began. By re-defining itself more on what it is about than what it fears, America could look more to draw on strengths than suppress weaknesses; by closing the “say-do” gap between its policies and its promise, it transformed its leadership role – a moral one more appropriate to the new age. It had gone back to the future.

Indeed, many flaws still existed in the system the United States maintained to “secure the blessings of liberty to ourselves and our posterity”. A more perfect union was still very much at a distance, but Americans were once again moving in that direction. If past is indeed prologue, then Americans – as always – have as much to look forward to as to draw upon.

“The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise – with the occasion. As our case is new, so must we think anew, and act anew. We must disenthrall ourselves, and then we shall save our country.”

- Lincoln, 2nd Annual Message to Congress, December 1, 1862