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FROM VOLUME 8

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# CONFLICT PREVENTION AND THE EVOLUTION OF ECONOMIC POLICY IN THE NATIONAL SECURITY STRATEGY: 1991–2006

By Dr. David A. Anderson and Major Elisabeth P. Stringer

“Take up the White Man's burden—  
The savage wars of peace—  
Fill full the mouth of Famine  
And bid the sickness cease;  
And when your goal is nearest  
The end for others sought,  
Watch sloth and heathen Folly  
Bring all your hopes to nought.”

Rudyard Kipling, 1899  
“The White Man's Burden”

The Goldwater–Nichols Act of 1986 requires the White House to present Congress an annual statement of national security policy. The national security policy focuses on protection of the United States' interests, both foreign and domestic. Under this law, the President is required to submit his policy in the form of a National Security Strategy (NSS), defining the “worldwide interests, goals and objectives of the U.S. that are vital to national security. Furthermore, the law requires that the foreign policy and the uses of the elements of national power utilized to achieve these goals and objectives (Diplomatic, Informational, Military, and Economic) be provided for in the document. The national security strategies (NSS) issued between 1991 and 2006 have increasingly emphasized the use of economic policy as the instrument of choice in promoting U.S. interests and national security. Furthermore, economic policy is increasingly tied to spreading democracy and personal freedom. Spreading democracy and personal freedom through economic policy to prevent future military conflict is the post–Soviet Cold War of this generation.

## PRE–1991: THE REAGAN YEARS

Ronald Reagan was the last Cold War president. Globalization was taking root. In their article, “It's the Reagan Economy, Stupid”, CNBC's Lawrence Kudlow and Stephen Moore, Senior Fellow at the CATO institute, wrote,

“It was Reagan's supply side economic ideas -- the policy of marginal rate tax cuts, a strong dollar, trade globalization (the Gipper started NAFTA with a U.S.–Canadian free trade agreement), deregulation of key industries like energy, financial services and transportation, and a re–armed military -- all of which unleashed a great wave of entrepreneurial–technological innovation that transformed and restructured the economy, resulting in a long boom prosperity that continues to throw off economic benefits to this day.”<sup>1</sup>

Ronald Reagan set the conditions for the United States to be a key player in economic globalization. He smartly wagered that the U.S. could not only afford to put more of its economic resources into defense than the Soviets without creating economic hardship on

<sup>1</sup> Lawrence Kudlow and Stephen Moore, “It's the Reagan Economy, Stupid”, from <http://www.cato.org/dispatch/06-07-04d.html>

its citizens, but it could do so in such a way that defense technology could be utilized by the private sector and actually expand the U.S. economy. He further saw that trade globalization amongst free nations enhanced both their relationships and quality of life and further isolated the Soviet block of nations.

## THE G.H. BUSH ADMINISTRATION – NSS 1991

As George H. Bush entered the White House, he also saw globalization as an opportunity for the United States. Soon after taking office, President Bush swore in his United States Trade Representative, Carla A. Hills, and remarked, “We don’t want an America that is closed to the world. What we want is a world that is open to America.”<sup>2</sup> With the fall of the Berlin Wall November 9, 1989, the world began to get smaller. Saddam Hussein’s invasion of Kuwait in August 1990 showed that threats to the United States’ interests were no longer limited to Eastern Europe. By February 1991, America had shown its overwhelming military prowess by liberating Kuwait and destroying the Iraqi military. In August 1991, President G. H. Bush published his first NSS.

The 1991 NSS tied economic strength to national power. “Events of the past year have reaffirmed the critical link between the strength and flexibility of the U.S. economy and our ability to achieve national objectives. Indeed, strong macroeconomic performance on the part of the United States is not only an economic objective but a prerequisite for maintaining a position of global political leadership.”<sup>3</sup> As the Soviet Union was showing signs it would break

into independent states, it was evident that the United States would be the remaining “super-power” in the world. As the 1991 NSS points out, the world situation was similar to that of 1920 when “no comparable threat was evident.”<sup>4</sup> In the 1920s, America turned toward isolationism. In the 1990s, the opposite view prevailed; “at a time when the world is far more interdependent -- economically, technologically, environmentally -- any attempt to isolate ourselves militarily and politically would be folly.”<sup>5</sup> Due to increasing globalization, the United States could not afford to isolate itself and risk economic and physical security. During this time, the General Agreement on Tariffs and Trade (GATT) Uruguay Round of trade negotiations was ongoing, beginning in 1986. The goal was to establish trade opportunities for “emerging democracies and other developing countries.”<sup>6</sup> As the Soviet Union began to crumble, threats to America became more ambiguous. China was seen as the next in line as a global power and possible threat to U.S. security and international stability. The 1991 NSS stated, “Consultations and contact with China will be central features of our policy, lest we intensify the isolation that shields repression. Change is inevitable in China, and our links with China must endure.”<sup>7</sup> The following excerpt from the 1991 NSS shows the pervasive air of uncertainty.

America will continue to support an international economic system as open and inclusive as possible, as the best way to strengthen global economic development, political stability and the growth of free societies. But how can these goals best be attained, especially if they are not completely shared by all of

<sup>2</sup> George H. Bush, ceremony remarks, USTR swearing-in ceremony, 6 FEB 89, from <http://www.presidency.ucsb.edu/ws/index.php?pid=16651>

<sup>3</sup> 1991 NSS from <http://www.fas.org/man/docs/918015-nss.htm>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

our economic competitors? How will the end of the Cold War and the increased economic strength of our major trading partners influence economic, political and even security relationships? In addition to working actively to conclude successfully the Uruguay Round of Multilateral Trade Negotiations, what other market-opening objectives should the United States pursue, and with whom should we pursue them?<sup>8</sup>

Even with an uncertain future, the 1991 NSS tied political stability and free societies to economics. The next NSS was not published until 1996 under the Clinton Administration.

## THE CLINTON ADMINISTRATION (NSS 1996, 97, 99)

While the 1991 NSS tied economic strength to national power, the 1996 NSS tied promoting democracy to protecting U.S. economic and security interests.

“Promoting democracy does more than foster our ideals. It advances our interests because we know that the larger the pool of democracies, the better off we, and the entire community of nations, will be. Democracies create free markets that offer economic opportunity, make for more reliable trading partners and are far less likely to wage war on one another. While democracy will not soon take hold everywhere, it is in our interest to do all that we can to enlarge the community of free and open societies, especially in areas of greatest strategic interest, as in Central and Eastern Europe and the new independent states of the former Soviet Union.”<sup>9</sup>

Compared to the 1991 NSS, the 1996 NSS mentions democracy 74 times versus 21 times in the 1991 NSS. By tying economics to

democracy, it seems establishing free markets is not just good for America, but free markets can actually achieve the noble cause of fostering freedom and democracy to oppressed people. The 1996 NSS further ties economic security to democracy by stating, “Our national security strategy is therefore based on enlarging the community of market democracies while deterring and limiting a range of threats to our nation, our allies and our interests. The more that democracy and political and economic liberalization take hold in the world, particularly in countries of strategic importance to us, the safer our nation is likely to be and the more our people are likely to prosper.”<sup>10</sup>

The United States’ active participation in the GATT Uruguay Round negotiations (subsequently renamed the World Trade Organization (WTO)) saved this free trade promoting body and is an example of the U.S. efforts to promote and enlarge the community of market democracies. The World Trade Organization (WTO) was created as a new and improved “institutional lever”<sup>11</sup> for access to foreign markets. The 1996 NSS outlines America’s goal of assessing China for entrance into the WTO, thus using the value of international trade as a means to persuade China to open its economy and advance personal freedoms for the Chinese. The key theme of supporting democracy to enhance economic opportunity prevails in Clinton’s 1997 and 1999 NSS; however, the WTO plays a large role in both as well.

If the 1996 NSS was the year of democracy, 1997 NSS and 1999 NSS were the years of the World Trade Organization. “WTO” appears 21 times in both the 1997 NSS and 1999 NSS as

<sup>8</sup> Ibid.

<sup>9</sup> 1996 NSS from <http://www.fas.org/spp/military/docops/national/1996stra.htm>

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

compared to no more than 7 times in any other NSS. The 1997 NSS states, “The successful conclusion of the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade significantly strengthened the world trading system. With the creation of the WTO, the United States stood to gain billions of dollars in increased trade. The 1997 NSS and 1999 NSS share common language about the WTO, but they also share verbatim language about democracy and economics.

The 1997 NSS and 1999 NSS state,

“Democratic governments are more likely to cooperate with each other against common threats and to encourage free and open trade and economic development—and less likely to wage war or abuse the rights of their people. Hence, the trend toward democracy and free markets throughout the world advances American interests. The United States must support this trend by remaining actively engaged in the world. This is the strategy to take us into the next century.”<sup>12</sup>

Economics and democracy is again tied to advancing American interests. The 1999 NSS also cited globalization as making the world smaller and more interconnected. “Globalization – the process of accelerating economic, technological, cultural and political integration – is bringing citizens from all continents closer together, allowing them to share ideas, goods and information in an instant.”<sup>13</sup> Globalization makes it even more important for America to maintain their interests.

“Our economic and security interests are inextricably linked. Prosperity at home depends on stability in key regions with

which we trade or from which we import critical commodities, such as oil and natural gas. Prosperity also demands our leadership in international development, financial and trade institutions. In turn, the strength of our diplomacy, our ability to maintain an unrivaled military and the attractiveness of our values abroad depend in large part on the strength of our economy.”

The NSS themes throughout the Clinton Administration focused on the importance of the WTO as an international platform to expand trade and the importance of democracy in making key regions more stable, secure and productive trade partners. Even with the focus on stabilizing key regions, no NSS could have prepared the United States for the events of 11 September 2001. The G. W. Bush Administration did not publish a NSS until 2002.

## THE G. W. BUSH ADMINISTRATION (NSS 2002, 06)

The G. W. Bush NSS in 2002 once again tied personal freedom and liberty to economic freedom. The 2002 NSS states, “A strong world economy enhances our national security by advancing prosperity and freedom in the rest of the world. Economic growth supported by free trade and free markets creates new jobs and higher incomes. It allows people to lift their lives out of poverty, spurs economic and legal reform, and the fight against corruption, and it reinforces the habits of liberty.”<sup>14</sup> A strong economy equates to a more stable world. Free markets give people the same chance for success and give them hope for a better life. The 2002 NSS also sought to place more accountability on economic development aid to poorer countries. “Results of aid are typically

<sup>12</sup> 1997 NSS Ibid. / 1999 NSS from [http://www.dtic.mil/doctrine/jel/other\\_pubs/nssr99.pdf](http://www.dtic.mil/doctrine/jel/other_pubs/nssr99.pdf)

<sup>13</sup> 1999 NSS from [http://www.dtic.mil/doctrine/jel/other\\_pubs/nssr99.pdf](http://www.dtic.mil/doctrine/jel/other_pubs/nssr99.pdf)

<sup>14</sup> 2002 NSS from <http://www.comw.org/qdr/fulltext/nss2002.pdf>

measured in dollars spent by donors, not in the rates of growth and poverty reduction achieved by recipients. These are the indicators of a failed strategy.”<sup>15</sup> The Millennium Challenge program sought to make aid tied to advances in economic freedom, investing in people and ruling justly. In fact, the 2002 NSS stated that the United States had a “moral obligation”<sup>16</sup> to determine whether or not our development assistance was delivering results. The 2006 NSS takes this moral obligation a step forward and proposes,

“Economic freedom is a moral imperative. The liberty to create and build or to buy, sell, and own property is fundamental to human nature and foundational to a free society. Economic freedom also reinforces political freedom. It creates diversified centers of power and authority that limit the reach of government. It expands the free flow of ideas; with increased trade and foreign investment comes exposure to new ways of thinking and living which give citizens more control over their own lives.”<sup>17</sup>

Moral imperative is interestingly strong language to use in reference to economic freedom, equating establishment of free trade and free markets with freeing people from oppression. This philosophy is evident with the 2002 NSS and 2006 NSS references to China. To be a better trade partner, China should give its citizens more rights. By claiming economic freedom is a moral imperative, it makes the case for increased human rights in China even stronger. The G. W. Bush Administration’s 2002 NSS and 2006 NSS continue to make an even stronger case, tying political stability, global security, and personal freedom to international economics and economic development among fragile states.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup>2006 NSS from <http://www.comw.org/qdr/fulltext/nss2006.pdf>

## CONCLUSIONS

The National Security Strategies between 1991 and 2006 have increasingly tied global security and stability to successful free market economies. The links between democracy, personal freedom, and economic freedom have strengthened as well. Increasingly, economic freedom is being placed above any other type of freedom because economic freedoms positively influence political and personal freedoms, which leads to peace and prosperity. U.S. foreign economic development policies and program enhancements, such as expanded funding in support of the Foreign Aid program, U.S. Agency for International Development, and inter-agencies, coupled with the evolving roles “other than war” the military is absorbing—reinforced by directives such as DoD 3000.05, “Military Support for Stability, Transition, and Reconstruction (SSTR) Operations—are likely to increasingly shape and influence the type and number of U.S. military operational commitments well into the foreseeable future.

*Dr. David A. Anderson is a retired US Marine Corps LtCol. He now serves as an Associate Professor, Department of Joint, Interagency and Multinational Operations, U.S. Army Command and General Staff College, Fort Leavenworth, Kansas.*

*MAJ Stringer is now deployed to OIF with 507th Corps Support Group as the Adjutant. She is an Adjutant General Corps officer who has served as a personnel services detachment commander and has held numerous human resources staff positions. Born in Washington, DC, she has always had an interest in politics and policy formulation, which was solidified at Command and General Staff College.*

*They co-authored this article, based primarily on MAJ Stringer’s project for Dr. Anderson’s economics course.*