FORMULATING NATIONAL SECURITY STRATEGY
Past Experience and Future Choices

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A Report of the
CSIS INTERNATIONAL SECURITY PROGRAM

EXECUTIVE SUMMARY
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For over 50 years, the Center for Strategic and International Studies (CSIS) has worked to develop solutions to the world’s greatest policy challenges. Today, CSIS scholars are providing strategic insights and bipartisan policy solutions to help decisionmakers chart a course toward a better world.

CSIS is a nonprofit organization headquartered in Washington, D.C. The Center’s 220 fulltime staff and large network of affiliated scholars conduct research and analysis and develop policy initiatives that look into the future and anticipate change.

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Thomas J. Pritzker was named chairman of the CSIS Board of Trustees in November 2015. Former U.S. deputy secretary of defense John J. Hamre has served as the Center’s president and chief executive officer since 2000.

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The project director, Mark Cancian, would like to acknowledge the many people whose combined efforts made this study possible. John Schaus, fellow, and Andrew Metrick, research associate, provided extensive research and writing support. Colin McElhinny, research associate and program manager, wrote case studies on the 2012 Defense Strategic Guidance and the 2008 French Defense White Paper. Hijab Shah, research associate, wrote case studies on the 1993 Bottom-Up Review (BUR) and the 1983 National Security Decision Directive Number 32 (NSDD-32). Melissa Dalton, senior fellow and deputy director of the International Security Program supplied insights through the process. Interns Anya Gersoff and Joe Federici provided research support.

Rick McPeak (brigadier general, U.S. Army, ret.) researched and wrote the chapter on the strategic workforce based on his many years of experience developing strategy in the Department of Defense. He was assisted by Ben Jahn (lieutenant colonel, U.S. Army).


In conducting research for this study, CSIS consulted with many experts, both inside and outside government. Their insights and perspectives informed the report’s findings and analysis and were especially valuable in shaping the case studies. The authors wish to thank Eric Ridge for his technical review and thoughtful comments, which significantly improved the final draft of this report.

Finally, CSIS wishes to thank the two review groups who brought invaluable outside expertise to bear:


- The Senior Review Group, hosted by CSIS president John Hamre, consisting of Kathleen Hicks, Christine Wormuth, Eliot Cohen, Michael Donley, Admiral Edmund Giambastiani, Bill Lynn, Robert Rangel, Admiral Gary Roughead, and Dov Zakheim.

While the findings of this report remain those of the authors, this study would not have been possible without the contributions of all those recognized above.
Strategies are shaped by the processes that produce them. If designed well, a strategy formulation process enables decisionmakers to evaluate the political, security, and budgetary environments, identify choices for an organization, weigh risks, opportunities, and tradeoffs, and determine the best way forward. A strategy formulation process determines which issues will be raised for decision, how issues are elevated to senior levels, what options are presented, who participates in the decisionmaking, and how the results are communicated both internally and externally. It is possible for good strategy to emerge from a bad process or for a good process to produce a bad strategy. In conducting its research, the CSIS study team found that good strategy formulation processes can facilitate the production of good strategy.

This study is the result of congressional concern that U.S. strategy formulation processes were not agile enough for a rapidly changing world or producing useful products. In Section 1064 of the FY2016 National Defense Authorization Act, Congress directed that an independent study of the strategy formulation process be conducted. Congress tasked the study with the following:

- Develop “several case studies of the role of the Department of Defense and its process for the formulation of previous national security strategies.”
- “Review and analyze the current national security strategy formulation process, as it relates to the Department of Defense.”
- Make “recommendations for the executive and legislative branches on the best practices and organizational lessons learned for enabling the Department of Defense to formulate long-term defense strategy.”

- Explain “the capabilities and limitations of the Department of Defense workforce responsible for conducting strategic planning, including recommendations for improving the workforce through training, education, and career management.”

This report is biased toward the Department of Defense’s (DoD) internal processes, given the focus of congressional action over the past five years on defense strategy processes. In addition, the Quadrennial Defense Review (QDR) has historically been the first major national security document released by a new administration, meaning that DoD has played a comparatively outsized role in shaping U.S. national security strategy.

In conducting this study, CSIS applied three guiding principles: focus on the question at hand, consider strategy formulation broadly, and make the results useful to decisionmakers. The application of these guiding principles has resulted in a study informed by the existing literature and scholarship on the issues and structured around an assessment of the current process and a series of six case studies. An interactive research process resulted in a series of 12 questions that serve as the analytic framework for this report. These questions can be used by DoD to align a strategy review to the geostrategic, political, and budgetary characteristic of that moment. Furthermore, this study uses these 12 questions to understand the dynamics of past strategy formulation processes and inform recommendations for the future.
The current process for national security formulation consists of three major documents and dozens of supporting and complementary documents. The major documents, in a rough hierarchy, include the National Security Strategy (NSS), the QDR, and the National Military Strategy (NMS). Historically, the QDR has been the most detailed of these documents and has received most of the congressional attention.

The statutory hierarchy, outlining strategy flowing from the president through the secretary to the uniform military, is sound on paper. However, the real process is considerably more complicated. For example, the defense component of this strategy hierarchy has consistently been the first element released since the 1993 Bottom-Up Review. The DoD leading role in strategy formulation represents both an opportunity and a challenge for the department.

In recent years, the collection of national security strategy documents and their accompanying processes have faced severe criticisms. The criticisms note a wide range of failings:
- Lack of clear priorities;
- Lowest-common-denominator recommendations as a result of development by consensus;
- Lack of candor about decisions for fear of alienating an interest group or groups;
- Weak connections between objectives and resources;
- Slowness in responding to changes in the national security environment; and
- A high staff burden.

These concerns led Congress, in the FY2017 National Defense Authorization Act, to make substantial changes to the statutory basis for national security strategy documents and, by implication, the supporting strategy formulation processes. These changes can be summarized by three overarching themes: unification, simplification, and classification. Unification means developing strategy with a single voice rather than as the consensus product of a committee. Simplification means focusing on the big issues and away from the multitude of secondary issues. Classification is a way to allow more candid discussion about tradeoffs and priorities without risking public backlash from affected groups and interests. These themes are analogues to reform of the acquisition process, which Congress has changed substantially to promote innovation, rapid equipping, and better analysis. Specifically, Congress made the following changes:

- The NSS changed from a primarily unclassified to primarily classified document.
- The QDR was renamed the National Defense Strategy (NDS). It is explicitly structured as classified guidance from the secretary to the department. The number of required topics has been reduced from more than 26 to 6. Lastly, the department is urged quickly to complete the strategy review at the beginning of a new administration.
- The independent assessment of the QDR, the National Defense Panel, was renamed the Commission on the National Defense Strategy for the United States. It is now structured as an input to DoD’s strategy formulation process, rather than as a subsequent commentary on it. All commissioners are named by Congress. The broad strategy tasking remains the same.
- The National Military Strategy was changed to a classified document with a greater emphasis on policy compared to a heavier programmatic emphasis in the previous version.
CSIS examined past efforts at national security strategy development. By examining previous cases in detail, the study team was better able to identify and assess the actual tradeoffs made in prior strategy formulation efforts. The cases thus provided key insights into the tradeoffs between various approaches in strategy formulation.

case studies

The study team examined six case studies to examine how decisionmakers designed national security strategy formulation processes in practice. There were four U.S. case studies, focusing on recent strategy formulation efforts to provide greatest relevance, and two foreign case studies to give a different perspective.

- **1983 National Security Decision Directive 32**: NSDD-32, a classified strategy document laying the foundation for President Ronald Reagan’s assertive Cold War strategy, was a rare example of detailed guidance coming first from the president and the White House rather than from DoD and the agencies.

- **1993 Bottom-Up Review**: The BUR established the concept of a periodic strategic review, and introduced the two-MRC (major regional conflict) force-sizing construct. The BUR had a full narrative describing the strategy and then laid out the programs and budgets needed to carry out that strategy. Although debated throughout
the 1990s, the longevity of its recommendations makes it arguably the most successful recent U.S. strategy. It was done quickly, in nine months, even though there were few political appointees in place.

- **2001 Quadrennial Defense Review**: The 2001 QDR is interesting because it tried three approaches before finding one that worked. First, it tried producing a guidance paper by a small group, then it established committees of outsiders. When these first two approaches failed, it used highly focused panels of insiders.

- **2012 Defense Strategic Guidance**: The DSG was a procedural outlier, being an ad hoc, off-cycle strategy formulation process that included significant White House engagement and presidential endorsement. It produced relatively major changes to U.S. defense strategy. It was an emergent strategy, and was therefore different than the calendar-driven QDR’s but consistent with recommendations in the strategy literature.

- **2008 French White Paper**: The French white paper process, conducted when directed by the president and not on a regular schedule, was overseen by a commission consisting of insiders, such as senior civilian officials and military officers, and outsiders, including legislators, academics, and defense industry executives. Thus, it offers an alternative governance structure to the insider-driven, regularized processes in the United States.

- **2016 Australian White Paper**: The Australian white paper process is noteworthy for its extensive engagement of both national security experts and the public. The public could provide comments through a dedicated web site, and the commissioners toured the country meeting with local panels of experts. The process also used outside consultants extensively to conduct analysis and verify results.
One perspective that arose early from the research was that strategy formulation processes must accomplish many different and sometimes contradictory goals. Further, processes must adapt to the needs and interests of the existing leadership. As a result, there is no perfect process. Instead, process design involves making choices among desired objectives. DoD, and all institutions, should make these choices consciously, focusing on those objectives that it values most highly. The study team produced two groups of recommendations: recommendations for the process as a whole, and 12 choices for specific elements of the process.

recommendations

Process Overall

The CSIS study team makes four overall recommendations:

- Consciously align the process to the decisionmaker. DoD has wide latitude in designing a strategy formulation process because of recent statutory changes. It should use this latitude to adapt the process to the needs of the senior leadership. It should avoid the familiar bureaucratic pathways that supported the QDR. Instead, DoD should focus on issues the secretary sees as important and design a process that suits that leader, not one designed to suit the staff.

- Recognize the inherently political nature of the process. Every strategy document tells an inherently political story. Consequently, despite the technical expertise of the staffs that produced it and the professional qualifications of political officials who oversaw it, the document will drive a political discussion with Congress and, if public, with the broader national security community.

- Limit the proliferation of strategy documents and ensure that published documents are consistent. Allowing separate, uncoordinated strategy formulation processes produces confusion. The number of separate strategy documents should be reduced, and the secretary should limit the documents he signs to clearly subordinate supporting documents.

- Seize the opportunity present in each strategy formulation process to drive the leadership’s priorities. The strategy formulation process should not be viewed as a burden, a statutory requirement to be checked off, but rather as a vital pathway for achieving a secretary’s and, by extension, an administration’s vision for the DoD and U.S. national security broadly.
the 12 choices

In addition to the overall recommendations, the study makes recommendations regarding the 12 choices that tend to arise in designing a DoD strategy formulation process. These choices are presented in roughly chronological order and, for each choice, the question, the recommendation, and a summary of the study’s findings.

**CHOICE ONE**

How rapidly should DoD conduct the process?

**RECOMMENDATION**

DoD should publish its strategy document in the fall to support its budget proposals and give coherence to its policy actions.

**STUDY FINDINGS**

The budget process moves forward inexorably and new administrations will quickly have two proposals before Congress, a modification of the current fiscal year and a full budget for the next fiscal year. Having a published strategy helps an administration justify its budget proposals. Further, events will be happening internationally to which the administration will need to respond. Having a strategy provides a context for action. In accordance with statute, QDRs were published with the following budget, 13 months after the president is inaugurated. However, DoD has the personnel and organizational culture to develop strategies more quickly. In 1993 and 2001, DoD released strategies in September of the administration’s first year. The inevitable lack of political appointees early on creates challenges to formulating strategy, but Secretaries Aspin and Rumsfeld found ways to conduct the process rapidly, using a few key appointees and assistants, the permanent staff, and the military leadership. Finally, work expands to fill the time allotted, so a short timeline reduces overall staff workload, a major criticism of the QDR process.
RECOMMENDATION ▶ DoD strategy should not wait for completion of the White House-driven National Security Strategy. DoD should drive an interagency conversation at the NSC, up to and including the president, to establish the administration’s key national security policies and priorities.

STUDY FINDINGS ▶ In theory, the NSS should be an administration’s first strategy document as the capstone setting government-wide policy; in practice, DoD’s strategy document has always preceded it because DoD has the staff, expertise, and continuity to undertake such a process quickly. Further, it would be ideal to receive clear presidential guidance at the outset, but historically that has rarely happened in a first term because new presidents are consumed by other initiatives that the administration is launching. For both these reasons, DoD should move ahead promptly with its national security formulation process. A new administration should use DoD’s strategy formulation process to drive a government-wide discussion about national security policies and priorities.
CHOICE THREE

Who does the work—a small group or large group?

RECOMMENDATION

A small integration group, leveraging expertise and experience from across the broader organization, best enables the strategy formulation process to be focused on key issues while ensuring connection to the department’s technical and analytic expertise.

STUDY FINDINGS

Like many other DoD processes, several DoD strategy formulation processes have involved large groups of insiders, frequently taking the form of numerous panels examining specific questions or issues. This takes time, imposes a large staffing burden, and opens the process to issue advocates. Notable exceptions to this pattern were the 1993 Bottom-Up Review and the 2012 Defense Strategic Guidance. Both were successful top-down, small-group efforts that plugged into the broader organization for information and implementation.

Another consequence of having many panels and an extended timeline is the justification component for “QDR cells.” These soaked up staff time and study resources but were generally too removed from the senior decisionmaking to provide meaningful, and timely, input.

Finally, the study notes that decisionmaking and report writing cannot be separated. Report writing, which fleshes out concepts and adjudicates comments from staff coordination, is inherently a part of the strategy formulation process.
CHOICE FOUR

Who runs the process? What is the right civilian-military balance?

**RECOMMENDATION**

The secretary clearly runs the process in statute. It is vital that the secretary drives the process in practice as well. The process also needs to include the Chairman of the Joint Chiefs of Staff (CJCS) and Joint Staff at every level to narrow and limit gaps between the secretary and the chairman.

**STUDY FINDINGS**

The FY2016 National Defense Authorization Act places responsibility for strategy formulation with the secretary. The secretary must step up and take control if the process is to be effective. This is the secretary’s major opportunity to engage the department, build a consensus among the senior leadership, and set a new course of action.

The NDAA directs the secretary to consult with the CJCS, and directs the CJCS to provide advice. However, CJCS, as principal military adviser to the secretary and the president, has separate statutory responsibilities. Executing these can compete with the Office of the Secretary of Defense’s (OSD) strategy process. To avoid confusion and the appearance of disagreement, the administration must find ways to ensure that there is a single process, not two parallel processes, and a single voice. Establishing clear linkage at all bureaucratic levels throughout the strategy formulation process can reduce, but not eliminate, the possibility of diverging perspectives. Ultimately, effective coordination will be personality dependent. Building personal relationships can overcome organizational gaps.
CHOICE FIVE
Should the strategy strive for comprehensive coverage or focus on key issues?

RECOMMENDATION ▶ DoD should use its new latitude and focus on the issues it thinks are most important.

STUDY FINDINGS ▶ Legislation for the QDR established at least 26 mandatory elements for the final report. The new NDAA language reduces this number to six. This reduction reflects a clear shift in congressional intent for the National Defense Strategy to have greater focus than did recent QDRs. Advocates for specific issues understandably desire recognition for their topic. However, expanding the number of topics mandated in a strategy document dissipates focus, reduces agility, undermines the setting of priorities, and creates a large staff burden. With relatively few required topics to address in the National Defense Strategy, the secretary will be better able to establish, and then focus on, his top priorities.
CHOICE SIX

Should the strategy establish clear priorities or many aspirational goals?

RECOMMENDATION

The strategy documents should enumerate clear national security priorities, including descriptions and justifications about what missions and capabilities are more important than others.

STUDY FINDINGS

Strategy necessarily entails establishing priorities and making tradeoffs. However, articulating “winners and losers” is politically challenging. Recent U.S. strategy documents have been criticized for giving “lowest common denominator” guidance—essentially avoiding upsetting any stakeholders by avoiding real prioritization. Both the 1993 Bottom-Up Review and the 2012 Defense Strategic Guidance did establish clear priorities and are both viewed as successful as a result (even if each failed to fully account for subsequent changes in the international environment).

Creating a classified strategy document offers the opportunity for greater candor, but there are limits. The likelihood of leaks will drive DoD to do some hedging and put particularly sensitive details into briefings.
How and how far should DoD look into the future?

**RECOMMENDATION**

DoD needs to make forecasts for acquisition and force development. However, it should recognize uncertainty, develop strategy resilient across a range of possible futures, and focus on elements that would change decisions within the future years defense program.

**STUDY FINDINGS**

Because of the competitive value and bureaucratic usefulness of anticipating opportunities and challenges, DoD makes great efforts to forecast the future. However, DoD, like most institutions, has a poor track record in long-range forecasting, often failing to anticipate events even a year ahead of time. Red teaming and brainstorming of different futures can expand the range of possibilities considered and thus hedge against error, but there are severe limits on forecasting accuracy, and the subject needs to be approached with humility. Further, envisioning the future can be intellectually interesting, but can sidetrack decisionmakers if not disciplined. Thus, all long-term forecasts need to focus on the decisions and changes that need to be made in the near to mid-term. For DoD, the most important timeframe for consideration is the five years associated with the Future Years Defense Program.
What role should resources play in formulating strategy?

Strategy formulation is always conducted in an environment of constrained resources. “Strategy driven, resource informed” is conceptually a good compromise for framing the role of resources in strategy development.

Strategy documents need to connect goals, programs, and policies with resources to be credible and effectively drive change.

The appropriate role for resources is a perennial question in developing strategy. “Strategy driven, resource informed” recognizes both the primacy of interests and objectives and the reality of limited resources.

When developing a defense strategy, the Defense Department will receive, at the outset, fiscal guidance from the White House. Inevitably, goals will outstrip the resources available. A key decision for any secretary will be whether to ask the president for additional resources or to frame the strategy within the resources available.

Without the discipline of specifying ends, ways, and means, the strategy document risks becoming a series of platitudes without recognizing the difficulty in achieving them. Therefore, strategy documents—both classified and public—will need to include not just goals and ways but force structure and major acquisition programs (ways) also. Discussion of resources (means) in strategy documents enhances the credibility of the strategy.
CHOICE NINE

What analysis should be done and how should risk be handled?

RECOMMENDATION

RECOMMENDATION: Strategy documents should present analysis and discuss risks to increase the credibility of the findings and policies recommended. Congress should not appear to punish DoD for providing these insights.

STUDY FINDINGS

Although QDRs were typically supported by extensive analysis, the public documents discussed analysis and risk in vague terms if at all. The 1993 Bottom-Up Review was an exception, establishing a high standard for publicly available analysis that contributed to its success in shifting resources and setting an enduring strategy. Thus, there is value in describing the analysis and risk assessment behind the recommendations in the strategy document. However, explicit discussion can be challenged in an unclassified environment. Even with classification, discussions of risk can open DoD to criticism about how it did the analysis and the depiction of risk it accepted. Explicit discussion also requires the department to reach an internal consensus on the priorities, analytic approaches, and assumptions behind the analysis and risk assessment, which may not always be possible.

Congress has a constitutional duty to provide oversight, and there will inevitably be tensions between Congress and the executive branch over particular strategic decisions. However, if DoD comes to believe it is being punished for providing details on analysis, risk assessments, or priorities, then these elements will be curtailed in future strategy documents.
**CHOICE TEN**

Should the secretary use outside advisers as part of the process? If so, how?

**STUDY FINDINGS**

Strategy formulation processes risk falling victim to “group think” and parochial interests. Bringing outsiders into the process at appropriate points enables the secretary to identify weaknesses in logic and to anticipate or mitigate possible criticism prior to the release of the document. Informal consultation with outside experts has been a common feature in U.S. and foreign strategy formulation processes. Formal outside reviews have been used by France, the United Kingdom, and Australia in their white papers. DoD’s past practice of informal consultations has been low risk and generally helpful. A more extensive consultation, like establishing a task force of the Defense Policy Board to review the final document, would expand the range of commentary and expert involvement.

In the 2010 QDR, Secretary Gates employed an internal red team led by the commander of the U.S. Joint Forces Command (General Jim Mattis) and the director of the Office of Net Assessment (Andrew Marshall). Using red teams could be expanded to generate the competition of ideas in the formulation phase as well as the review phase to break out of existing institutional perspectives.

**RECOMMENDATION**

A final consultation with “outside” experts chosen by the secretary is a useful check on the system, and some consultation should be made in every strategy formulation process. As a trial initiative, the secretary should consider using a task force of the Defense Policy Board to review the final draft.

Some “red teaming” might be useful to expand the scope of options and possibilities.
CHOICE ELEVEN

How widely should the strategy documents be distributed?

STUDY FINDINGS

Because the classified National Defense Strategy is directed to be guidance from the secretary to the department, it should be promulgated widely in the department and delivered to Congress. However, the classification of the strategy will inherently limit how widely it can be distributed, and will hinder public communication of the strategy. Development of an unclassified document—beyond a summary of the classified strategy—will therefore be needed to effectively communicate with a full range of audiences, including allies, partners, the public, and adversaries. Public documents can be more aspirational and less candid about priorities but must remain aligned with the classified document or both will lose credibility when leaks occur.

RECOMMENDATION

The classified strategy document should be distributed widely within the department to ensure that subordinate elements align their efforts with the strategy, in addition to being delivered to the appropriate committees of Congress. DoD should also develop an unclassified document for public release.
CHOICE TWELVE

How often should DoD conduct a strategy formulation process—on a regular schedule (e.g., every four years) or as circumstances change?

RECOMMENDATION ▶ Administrations should conduct a strategy formulation process at the beginning of the first term but should conduct further processes only when strategic conditions have changed to the degree that the existing strategy needs major revisions.

STUDY FINDINGS ▶ The academic literature emphasizes that strategies should be formulated when needed rather than routinized, in order to adapt to changing circumstances. Strategy development at the beginning of a new administration is unavoidable as the new team will want to implement commitments from the electoral campaign and establish its priorities. However, requiring a new strategic guidance document at the beginning of the second term imposes opportunity costs and creates potentially unnecessary work. Instead, an administration, after publishing its initial strategy, should conduct its next strategy formulation process when domestic or international circumstances have changed enough that the existing strategy is no longer viable. That might occur earlier or later than the current statute mandates. The call for a strategy at the beginning of a second term can be met by a short statement as part of the budget process.

The process of strategy formulation matters. It determines which issues will be raised for decision, how issues are elevated to senior levels, what options are presented, who participates in the decision making, and how the results are communicated both internally and externally. Designing a process that weighs the 12 choices proposed by this study would enable future defense leaders and planners to produce strategies appropriate for the political, security, and budgetary realities of their time.