

**Remarks to Virginia Military Institute's Seventh Annual Leadership and Ethics Conference:  
*Strategic Leadership in Time of Global Transition, Past, Present and Future. November 2-3 2016***

*Panel 3: The World Hangs in the Balance: The Marshall Plan's Legacies for Contemporary State-building Revisited*

“*The world hangs in the balance*” is a very stark title for our panel. Appropriately so as I think it fairly reflects our collective sense of foreboding that the world is in such a mess that it is likely the United States will have to intervene somewhere and engage in another costly state-building exercise.

Given the short time frame allow me to take advantage that I come from the execution side of post-war stabilization and reconstruction, so I would like to focus my remarks on the work of the Economic Cooperation Administration, the agency that administered the Marshall Plan and see how it might inform us today in responding to contemporary global threats and doing the next state-building operation.

Based on my work for the Pentagon-run Coalition Provisional Authority and then the State Department run Iraq Reconstruction & Management Office, of which I was a deputy director, I came to appreciate how the nature of the entity charged with executing state-building is vital. Unfortunately, this White House has dissembled most of our civilian-military infrastructure that supported surge operations in Iraq and Afghanistan in the self-defeating “light footprint” approach towards US global leadership. So if we must intervene somewhere, we will have to do so pretty much from scratch, again. Hence, the ECA is a model worth revisiting.

Dr. Machado notes in his book that the ECA’s “unbureaucratic quality” was key to the success of the Marshall Plan. Among the contributive attributes you cite are its independence from inter-agency rivalries, having a clear and specific mandate, being open to new ideas, a commitment to lean operations, exhibiting a European rather than Washington, DC centric perspective to ensure political buy-in from aid recipients, enjoying unswerving White House support, and blessed with superior leadership.

Though the CPA and IRMO did report directly to a respective Department, the White House, did, in fact, often defer to us on key policy decisions, integrated our input into their strategy assessments, and gave us a long leash to design and implement new structures and programs in response to shifting conditions on the ground. And contrary to conventional wisdom the leadership quality I witnessed in Iraq was superior. Few would question, for example, the leadership of Ambassador Ryan Crocker and General David Petraeus. Yet, there were others who demonstrated superior leadership but did not garner media attention.

What was not superior, however, was the failure of civilian agencies back home to adapt their peacetime administrative mechanisms to war time exigencies. Stifling bureaucracy thwarted many of our efforts. Hiring staff could take up to six months and when they did come their terms were often only one year. Pre-deployment training proved poor leaving newcomers unprepared for their difficult tasks. Program stove-piping was endemic. Contracting capacity was grossly insufficient. There was too much emphasis on spending money – monthly “burn rates” - rather than achieving sustainable program and policy outcomes. Fighting between the State and Defense Departments over responsibility for and deployment rules governing security assets prevented getting people “outside

the wire.” But after various iterations we did eventually get many things right by the time of the surge campaigns in Iraq and then Afghanistan, and each military operation benefitted from those modifications. As I mentioned before, the Obama Administration has unfortunately scrapped all of that post-war civilian-military capacity.

In terms of “hard lessons,” in my view, the most important is security. Absent a secure environment it is simply not possible to promote political and economic stability in these fragile countries. In Iraq and Afghanistan we have seen government officials assassinated, infrastructure blown up and terrorism undermine public confidence in nascent governments we seek to stabilize. In contrast, the ECA could count on 100,000s of US forces to do its work unimpeded by such violence. So future state-building missions must be preceded by fully securing the environment and neutralizing the enemy.

So in terms of “the next time,” President Obama’s successor will face many global crises absent a full spectrum of strategic tools he/she will need in order to effectively respond to them. So kudos to conference organizers for addressing this very timely topic.

There are many ideas out there on how to structure a future ECA-like entity. Let me name a few: Former Special Inspector General for Iraq Reconstruction Stuart Bowen proposed creating a new US Office for Contingency Operations that would report to the Secretaries of State and Defense but exercise substantial independent authority to launch and manage such missions world-wide.

Other ideas focus on building upon existing government infrastructure rather than creating a new organization. Michael Miklaucic from National Defense University’s Center for Complex Operations suggests that USAID become the US government agency dedicated to state-building by stripping away its humanitarian and development functions and have it focus on an exclusive core mission of building stable governments deemed critical to our national security.

Others suggest strengthening our Ambassador’s *de facto* authority over the disparate elements of Country Team as a way of improving unity of effort during any stabilization and post-war rebuilding operation. Others would prefer to assign the task to the US Department of Defense given its massive resources, organizational flexibility, and a robust civil affairs tradition. So ideas on how to do state-building are certainly not lacking.

A final point I want to make before I conclude regards one of our readings suggested that “each successive post-Cold War US-led intervention has generally been wider in scope and more ambitious in intent than its predecessor...” This conclusion is very important. Now, if one agrees with this thesis what does it mean for the next Administration’s decision-makers?

Let’s take Syria as the most obvious example. I believe it is a matter of when, not if, we will intervene in some fashion. If we do intervene again, we will find the country institutionally and socially atomized with its physical infrastructure destroyed. Syria will require enormous outlays of reconstruction and security assistance in order to stabilize it without any guarantee of success given the scale and scope of the destruction and nastiness of the region. We cannot repeat the US disengagement from Afghanistan following the Soviet Union’s withdrawal that subsequently allowed the ultra-extremist and ultra-violent Taliban take over the country and serve as a launching pad for terrorist strikes against the US and our allies.

This therefore raises a strategic challenge for our future leaders, what has been coined “the intervention dilemma.” How to make the complex threat assessment that a pending collapse of a state would threaten our national security and then make that politically risky determination of whether that threat calls for a pre-emptive military intervention in the expectation that intervention is not only inevitable but will be far costlier and more difficult over time. By the late 1940s, it was dangerously clear that the US could only contain Soviet aggression by a systematic and massive strategic intervention using all elements of US power, including military, economic (the Marshall Plan), political and diplomatic.

In sum, the longer we wait to act in response to a collapsing state, the worse it gets, the harder it is to fix, and the less likely we will succeed. The failure of US leadership to act on Syria early on and on more favorable terms has ensured that we will have to intervene later on the worse terms possible. Yet, we’ve seen this narrative play out before. Had NATO taken limited but firm military action against Slobodan Milosevic early on as Yugoslavia began to collapse, we might have avoided the savagery that later engulfed the Balkans and that led to costly largescale US military intervention and state-building operations. Similarly with the failure to oust Saddam Hussein in 1991 only to see a more intensive, expensive and difficult intervention in 2003.

Syria, Libya, Yemen, Somalia, Iraq, South Sudan, Afghanistan, the list grows of failed and failing states indeed ensuring a world hanging in the balance. Time will tell whether the next Administration will find someone of the character and strategic vision of a George C. Marshall. Thank you.

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