MERCATUS CENTER

GEORGE MASON UNIVERSITY

"AMERICA'S ROLE AS NATION BUILDER: LESSONS LEARNED AND APPLIED TO IRAQ"

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INTRODUCTION

PAUL EDWARDS, PRESIDENT,
MERCATUS CENTER AT GEORGE MASON UNIVERSITY

ALAN MERTEN, PRESIDENT,
GEORGE MASON UNIVERSITY

TIM ROEMER, DISTINGUISHED SCHOLAR,
MERCATUS CENTER

MORNING PLENARY SESSION

HOW DID WE GET HERE AND WHAT HAVE WE LEARNED?

JAMES DOBBINS, RAND

TIM ROEMER, MERCATUS CENTER

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PAUL EDWARDS: Good morning. I'm Paul Edwards. I'm president of the Mercatus Center at George Mason University, and it's a real pleasure to welcome you this morning to this Mercatus conference on "America's Role as a Nation Builder: Lessons Learned and Applied to Iraq." We have a distinguished audience assembled here this morning. We expect throughout the morning policymakers from the administration, from Congress, scholars and students from several universities, members of the diplomatic community, and analysts from many of the leading think tanks. So thank you very much for joining us at the Mercatus Center today.

The Mercatus Center at George Mason University is an education and research center that is dedicated to bringing about a freer, more prosperous and peaceful society. Mercatus Center scholars investigate the necessary political and economic arrangements for lasting prosperity and then we work to take those ideas and turn them into action by working alongside policymakers to solve problems that might be impeding the freedom to prosper.

Today's program is part of a larger initiative at the Mercatus Center to examine critically those issues of international institutional and economic development, particularly as they relate to foreign policy and foreign assistance. We call this our Global Prosperity Initiative. We believe that U.S. foreign policy can benefit from a richer understanding of the challenges and successes related to the development of those intangible but very vital institutions of trust, reciprocity, market exchange, voluntary association, as well as the more formal institutions of legality and representative democracy.

Today's program is not about the decision to enter Iraq. Instead, it is about what it will take to exit Iraq. We acknowledge that the controversy continues to swirl around the issue of preemption. Many have and will contribute to that important debate, and we learn more about that, it seems, each day.

This conference, however, is an effort to demarcate the responsibilities that we have assumed because of that momentous decision to enter Iraq, and to identify the most appropriate means of discharging those important obligations. Having toppled Iraq's regime, how do we transform Iraq into a viable commercial republic without colonizing it? Should we try? How will we know when we've done enough, or done too much? How do we share power without exacerbating group conflict? These are the kinds of questions that we hope to explore throughout our session today.

The Mercatus Center can only offer this kind of program because of the generosity of thousands of individual supporters who believe that ideas matter and that

everyone deserves the freedom to prosper, and I'd like to thank them publicly for their generous support for these kinds of activities.

The Mercatus Center also thrives because we are part of one of the great institutions of higher learning in Virginia: George Mason University. As many in this audience have come to recognize, George Mason has become a wellspring of ideas for the national policy community. George Mason enjoys this status because of the leadership of its president, Dr. Alan Merten.

Prior to coming to George Mason in 1996, President Merten was dean of the Graduate School of Management at Cornell University. He is very well known for his published research on the use of information technology. Dr. Merten has shown great entrepreneurial vision for the university. He's done a terrific job of bringing top scholars to George Mason, such as Vernon Smith and Jack Goldstone, from whom we'll hear later this morning. And I'm glad to call him a dear friend of our efforts at the Mercatus Center.

I'd like you to please join me in welcoming President Alan G. Merten, President of George Mason University.

(Applause.)

ALAN G. MERTEN: Thank you, Paul. It's my honor and privilege to welcome you to today's conference on behalf of the 28,000 students at George Mason University. George Mason University has had a very exciting run in our 31 years of existence. Universities throughout the nation and throughout the world claim to be in the teaching, research, and service business, and we at George Mason University do that, and we believe we do that very well. But we feel that it's more of our obligation to take those three ideas and twist them a little bit in the following way:

We claim that we are in the learning business as well as the teaching business, hopefully. We are not only in the research business but in many respects in the research and partnership business. It's our responsibility to do research with others, both within the university and outside the university. In addition to being in the more generally described service business, we are in the community driven business. It's our responsibility not only to service the communities around us but to, in a sense, establish ideas and promote ideas that make us, as many people say, the innovative university for the information society.

It's my privilege to introduce to you today Tim Roemer, who is truly an individual in his public activities and in many other aspects of his professional life. Tim Roemer spent 12 years in the U.S. Congress representing the Third District of Indiana. If you look at his accomplishments, many of them are through the committees in which he served, such as the Education Committee and the Intelligence Committee. But more importantly, Tim Roemer is known for his ability to act across party lines and to make a difference when it's really important in such matters as budget and welfare reform.

Tim currently is associated with Johnston and Associates, and is president of the Center for National Policy. But more important for us at George Mason University, and for us today, he is also a distinguished scholar at the Mercatus Center.

Tim Roemer.

(Applause.)

TIM ROEMER: Good morning. Thank you, Alan.

President John F. Kennedy said almost 40 years ago when he was dining with Nobel Prize winners in the White House, he said this, and I quote: "We have not had such talent assembled under one roof since Thomas Jefferson dined here alone." Under this roof today we certainly have tremendous talent. We have experience and skill, we have innovators and architects, we have generals, we have Nobel Prize winners.

Let me start by again recognizing two presidents that are here with us today: Dr. Paul Edwards with Mercatus, who you just heard from, who is doing such an incredibly good job of connecting scholars and ideas with policymakers and people on Capitol Hill – Paul, thank you again for the tremendous work you're doing -- and President Alan Merten, the president of George Mason University, who has brought in some of these Nobel Laureate winners. There are two at George Mason University, and Alan has overseen and directed some of the most prolific growth in the history of any university in this country in the last 10 years.

So, Alan, thank you again for being with us this morning.

We also have two scholars with us this morning from George Mason University: Professor Peter Boettke, professor of Economics and the director of the Global Prosperity Initiative -- you'll be hearing more about that initiative from George Mason University later today -- and also Professor Jack Goldstone, one of the panelists who has very good practical experience doing consulting for such places as the CIA and USAID, and a very distinguished member of the George Mason faculty.

You might ask, why is the Mercatus Center and George Mason University doing a conference today on Iraq? This may be the most important issue in America today. It certainly may be the most important issue in the Middle East. And it probably has such consequences and ramifications throughout the world it may be the most important issue in the global community. The outcome of the Iraq situation will have profound implications on our foreign policy, our domestic elections, and our efforts to combat terrorism for decades to come.

It is now more important than ever to bring together practical academic perspectives and rigorous policy perspectives to address this key global issue. We have

gathered these experts and architects and practitioners this morning in the hope of understanding the problem and improving our policy of nation building in the future.

Another reason why we gather today is that the Mercatus Center and George Mason University is deeply involved and committed to international development issues. And we believe that the Global Prosperity Initiative is certainly one that could make significant contributions, both in Afghanistan and in Iraq, in this nation-building exercise.

Thirdly, and very importantly in America today, George Mason University is an institution of higher education. What better place to talk about the issues of the day to Americans, to faculty and staff, to hear from graduate students and their experience and, yes, even students who are concerned about the implications of this policy for their lifetime, and they can learn in their classroom setting from this kind of conference. We are very proud at George Mason University and at the Mercatus Center to have this kind of opportunity for America and for policy direction, discussion, critique, analyzing, and hopefully improvement of policy.

And lastly, as I get ready to introduce our key speaker this morning, I want to quote Abraham Lincoln, who talked to Congress in 1862 about the importance of a particular issue at that time to America. He said, “Fellow citizens, we cannot escape history. No personal significance or insignificance can spare one or the other of us. The fiery trial through which we pass will light us down in honor or dishonor to the last generation.”

Personally significant – the Iraq issue is certainly personally significant to every single one of us. It’s significant because if it fails or if we do not get the puzzle right in the future – we seem to have hesitated. We have flaws in the policy. We have not implemented probably the expertise from people like Ambassador Dobbins as we probably should have in the beginning. What happens? How does it embolden the terrorists? What happens to Iraq if we don’t get that right? Is it the same thing that happened in Afghanistan in 1989, or potentially even worse, as a haven for terrorism and terrorists and al Qaeda?

No matter what your feelings about the Iraq war and reasons for going in, for mistakes or failure on implementation since, this is an issue that America must get right now, because the implications for foreign policy, for terrorism, for the global community, for our children, for our budgetary situation, are indeed profound.

When we talk about the fiery trial that Abraham Lincoln outlined, nobody has experienced the fiery trial more than our keynote speaker here this morning, Ambassador James Dobbins. He has played key roles in virtually every major effort to rebuild nations in recent memory. He is a seasoned diplomat, having held senior White House and State Department positions under four presidents, including assistant secretary of State for Europe, special assistant to the president for the Western Hemisphere, special advisor to the president, Secretary of State for the Balkans, and ambassador to the European community.

He continues to play a role in international affairs in his current position as director of the International Security and Defense Policy Center at the RAND Corporation in Arlington, Virginia. He and his colleagues at RAND have recently committed some of his experience to a record in this new book entitled, "America's Role in Nation Building: From Germany to Iraq." We're very glad to have Ambassador Dobbins here today to lay the groundwork in the historical record for today's discussions.

I give you, ladies and gentlemen, a person dedicated to public service, a nation builder, a person who holds out hope for this extremely delicate and very, very troublesome exercise, who is engaged in Bosnia, Kosovo, Somalia, and Afghanistan, and brings that experience and that tenacity and that hope to our conference this morning. Please join me in a warm welcome. Put your hands together for Ambassador James Dobbins.

(Applause.)

JAMES DOBBINS: Well, thank you very much, Tim. It's going to be hard to live up to that warm welcome.

President Merten, Congressman Roemer, thank you very much for inviting me to be here today and to talk a bit about America's experience in nation building and how it might be applied in Iraq.

I think the salient lesson of America's early months in Iraq is that America hasn't learned the lessons adequately of its experience – it's very substantial experience in nation building over the previous decades, and in particular over the last decade.

If you read the newspapers or listened to the official rhetoric, you might have the impression that we're in terra incognita, that the necessity for improvisation is driven by the unforeseeable nature of the challenge that we face. Nothing could be further from the truth. The United States has had very substantial experience in precisely – in meeting precisely these sorts of challenges. Iraq is, after all, the sixth major nation-building endeavor that the United States has launched in just 10 years. And incidentally, five of those six nation-building endeavors were in Moslem nations. We should be getting better at this. We're not, and I think it's a legitimate question to ask why, given the richness of this experience, we haven't been making more use of it.

At RAND we sought to examine the lessons of America's experience in nation building. We took seven cases, going back to 1945. The seven cases were Germany, Japan, Somalia, Haiti, Bosnia, Kosovo, Afghanistan. We looked at what occurred in each of these instances, what lessons might be drawn from each of them. We then compared these cases against each other, looking at and trying to measure, as accurately, as empirically, as statistically as possible, levels of input and output; input being how many troops did you need, how much money did you use, how much time did you need; output being things like how quickly was security established, how many casualties did you

suffer – a negative output – how quickly was economic growth resumed and at what levels, and how quickly were you able to move to democratic elections? And then, after drawing some general conclusions from those comparisons, we moved on to look at the situation in Iraq and discuss how America's experience over the last 60 years might be applied there.

The first of the cases we looked at was Germany, 1945, and there were a number of important lessons from the German case. The first was that the project is indeed feasible, that you can use military force in the aftermath of a conflict to underpin an enduring transition to democracy. That's the definition we gave nation building: three elements -- post-conflict, use of military power in that post-conflict situation, with the objective of underpinning an enduring transition to democracy. And Germany demonstrated that it was possible – not always, not in all circumstances, but at least in some.

The German experience also demonstrated that if you take a country apart, if you dismember a country in the course of occupying it, it's very difficult to put back together again; four years in the case of the Western sectors, 50-some years in the case of the Eastern sector. Germany also demonstrated that a population which one could have anticipated would be very hostile, may, under certain circumstances, be extremely docile, malleable, cooperative, as indeed was the case in post-war Germany. And finally, Germany demonstrated that a process of post-conflict accountability – war crimes, trials, denouncification -- can also contribute significantly to a democratic transformation. We also learned how difficult, how complex, how time-consuming, how demanding such a process in fact was.

Japan offers an interesting counterpoint to Germany. When you talk to Germans about their experience and how it might serve as a model for, for instance, Iraq, they tend to be very dismissive, arguing that, after all, Germany was a Western country; Germany had had significant experience with democracy; Germany was surrounded, at least on three sides, by functioning democracies; and Germany was rapidly integrated in democratic regional institutions like NATO and the European community.

Japan had none of those advantages. Japan wasn't Western; Japan wasn't surrounded by other democracies; Japan had less experience with democracy; and Japan has never, to this day, been integrated in democratic regional institutions. And yet, the transformation of Japan was even more rapid and in some ways easier than was the case in Germany, for reasons I'll go into.

There were two main distinctions between the American approach in Japan and in Germany. One was that whereas the effort in Germany was a multilateral effort involving the British and the French as full partners, originally involving the Soviet Union as well until it dropped out, the effort in Japan was purely unilateral. The U.S. was the only country that had significant occupation forces, the only country that made the decisions, and it was unilateral to an even more extreme degree because within the

U.S. government, Douglas MacArthur exercised personal and almost total control over the process. It was an extreme version of unity of command.

A second difference between the German and Japanese approaches was that in Germany, all of the national and even local institutions were first dismantled and then over time new institutions were built up in their place. Germany, for instance, had no national government at all from 1945 till 1949, and the process was thus one of deconstruction and then reconstruction at an institutional level.

In Japan, by contrast, all of the institutions remained. Personalities changed but the institutions remained. Not only did the emperor remain, but the prime minister, the parliament, the courts, the ministries, the local governments; all of the institutions remained from 1945 onward. There has not been a day since Japan surrendered that it has not had a fully articulated, completely Japanese government. That government took orders from Douglas MacArthur from 1945 until 1952, when the occupation was technically ended, and in particular over the first couple of years, but it stayed in place. And so the effort in Japan was facilitated both by the fact that there was a single controlling authority, MacArthur and the United States, and the fact that it co-opted all of the existing institutions and reformed them from within rather than from without.

I think that by contrast, however, if you compare the results in Germany and Japan, one finds that while the German effort was more difficult, more complex, more messy, until late 1947 it was generally perceived to be a failing effort. The long-term effects probably have been even more profound because institutions were dismantled and then reestablished because the process of de-Nazification was so comprehensive. Germany has come to terms with its history in a way that Japan still hasn't. War guilt and responsibility for the events of the Second World War are still debatable, controversial subjects in Japan in a way that they simply have ceased to be in Germany.

Similarly, because Japan's neighbors didn't participate in its transformation in the way Germany's neighbors did, Japan's neighbors have never accepted that Japan is fundamentally transformed as a result. They still regard it with suspicion. It is still not integrated in its region in way that Germany has been as the result of the multilateral process of transformation that it underwent.

After Germany and Japan, there was then a 40-year hiatus in nation building, under our definition. And I think it's a good question: Why are there no cases, under our definition, between Germany and Japan on the one hand and Somalia, beginning in 1992, on the other? I think the answer is the Cold War. During the Cold War, the United States was constrained to use its power to maintain a geopolitical balance and to avoid the possibility of a thermonuclear war. And so, force was used to stabilize international problems, not to solve them. Force was used to displace unfriendly governments and replace them with friendly governments; it wasn't used to promote democracy, except perhaps incidentally.

Thus, for instance, during the Cold War, Berlin remained divided, Germany remained divided, Cyprus remained divided, Palestine remained divided, China remained divided, Korea remained divided, and we tried to keep Vietnam divided. In every one of those cases, American, or in some cases U.N. forces, were used to maintain the division, to patrol the ceasefire line, to prevent the problem from getting solved in a fundamental way because resolution of the problem might have given advantage to one side or the other or spark a broader conflict. The United States intervened occasionally to displace unfriendly governments and put in friendly ones. Sometimes this resulted in a positive step toward democracy, but there were cases where the United States intervened to displace unfriendly democratic governments and replace them with friendly authoritarian governments, Chile and Iran being two examples. So the impulse was different as the result of the Cold War imperatives.

With the aftermath of the Cold War, the United States had new opportunities and new challenges. The new challenges came in the form of failed states. During the Cold War, states weren't permitted to fail. One side or the other propped up weak regimes, divided societies in order not to create a power vacuum that the other side might fill, or a regional conflict which might spin out of control. Countries like Yugoslavia or Somalia or Afghanistan were all considered important chess pieces on the geopolitical board, and either the United States or the Soviet Union, or in several of the cases both the United States and the Soviet Union, at one time or another propped up those states and prevented their fragmentation.

With the end of the Cold War, the Soviet Union lost its capacity to prop up failing states and the United States lost one of its prime incentives. The result was it had the luxury, which it didn't have during the Cold War, of choosing. It could decide that a crisis somewhere wasn't of interest to it in principle. It didn't have the Cold War imperative of feeling every crisis could redound to its disadvantage if not properly managed. And so it could decide, for instance, as Jim Baker said with respect to the Balkans, that the United States didn't have a dog in that fight, and try to stay out of it for half a decade.

Alternatively, the United States had the luxury of being able to intervene, not just to stabilize a problem, not just to prevent it getting worse, as it had done during the Cold War, but to actually solve the underlying problems that had given rise to the conflict in a way that it had been able to do with respect to Germany and Japan. The result was that in the aftermath of the Cold War you had both an increase in supply of nation building, and demand for nation building – demand because of all the failed states, supply because the United States now had the ability to intervene and could normally get a broad international coalition and broad participation.

The results are evident in the statistics. Since its creation in 1945, the U.N. has mounted 55 peacekeeping operations, of which 41 have been initiated since the end of the Cold War -- so 80 percent of the peacekeeping and 20 percent of the time. Similarly, during the Cold War, the United States intervened abroad rarely. I count four interventions over 40 years: Santa Domingo, Panama, Grenada, and Lebanon. In the '90s

it began intervening once every two years: Somalia, Haiti, Bosnia, Kosovo. This administration came into office saying that it wasn't going to do this anymore, that nation building was an inappropriate dispersion of America's energy, and it's now mounting such expeditions every 18 months. So I think one has to conclude that, whether you like it or not, this has become an inescapable responsibility of the world's only superpower.

Going back to sort of the lessons learned, Somalia was a catastrophe, a disaster, and the lessons are mostly negative. The most important lesson is that unity of command can be as important in a peace operation as it is in a traditional wartime operation. The Blackhawk Down incident, the failure to rescue the Rangers in a timely fashion, is essentially a failure of command, the fact that three different command structures were operating independently in the same limited territory.

The other thing we learned was that it's important to match you mission with your capabilities. The United States went into Somalia with a very substantial force, nearly 20,000 American soldiers, with a very limited mission: just to protect humanitarian food deliveries, nothing else. It then withdrew 18,000 of those soldiers, leaving about 2,000, and expanded the mission to full democratization, grassroots democracy in Somalia, directly challenging the existing power structure there. It was a wild mismatch between capabilities and mission, which ultimately got us in trouble.

Another lesson you learn in Somalia is that military power does no more than open a window of opportunity, and unless you quickly fill that window of opportunity with civil capabilities that the military doesn't bring to initiate the economic and political transformations that are your objective, unless you do that rapidly, ultimately that window closes and nothing has been accomplished, as nothing was in Somalia, because we didn't fill it. There wasn't any effort to bring in civilian expertise: aid administrators, judges, police, other elements that would begin to build a more viable Somali society.

We learned some of those lessons, and we learned some false lessons from Somalia and applied them in Haiti. It was a better-organized mission. We brought in a thousand international police as part of the peacekeeping operation who were armed with arrest authority and weapons and who complemented the efforts of the soldiers. This was the first time that had ever been done in a peacekeeping mission, and it's been done several times since.

One of the lessons that was learned from Somalia was the need for exit strategies and departure deadlines, and as a result of that, the Clinton administration committed itself to leaving after two years. It kept that deadline; it did leave after two years. And the basic result was very little of substance was accomplished. We were able to hold elections, we were able to install new local and national government, but we weren't there long enough to bring about the more fundamental reforms that would have made that a lasting change.

The next operation was Bosnia, and we achieved a unity of command on the military side, using NATO, a very robust, effective organization, which established

security very rapidly in Bosnia but we made a mistake on the civil side through a misguided sense that the United States was somehow in competition with Europe for influence in Bosnia and that NATO was in competition with the European community. Instead of establishing a single point of authority on the civil side of reconstruction, we proliferated the number of institutions responsible, and as a result, civil implementation in Bosnia has lagged over the last six years.

Kosovo was the best resourced and organized of any of the 1990s operation: unity of command on the military side with NATO. On the civil side, a single individual, a U.N. administrator, was put in control of all international activities throughout the territory. Kosovo had the highest ratio of peacekeepers to population of any of these operations. It had the second-highest ration of reconstruction assistance to population of any of the operations. It had by far the highest ratio of civil international police to population of any of the operations. There were 5,000 U.S. and international police that were put in as part of a peacekeeping operation. And it has been broadly successful, although by no means at the point where one can declare it a conclusive success at this stage.

In Afghanistan, the administration wanted to take a different tack. It wanted to establish a smaller footprint; it wanted to approach this more economically. And the main lesson from Afghanistan is that low input yields low output. Low input in terms of money and men yields low output in terms of security and economic growth. To give you a sense of scale, after 11 weeks of air war, Kosovo received 25 times more assistance on a per capita basis than Afghanistan received after 20 years of civil war. Another comparison would be, in terms of security, Kosovo received 50 times more international peacekeepers on a per capita basis than Afghanistan received after its 20 years of civil war.

And so, the reasons that Afghanistan is still not secure today, the reason that Afghanistan is still not – reconstruction has not taken hold outside the capital, largely are resource-driven and resource limited. And you can argue that this was a rational decision. After all, our real objective in Afghanistan is to deny it as a base for global terrorism, which as long as we keep 10,000 troops there and invest 500 or a billion dollars a year we can probably continue to do. It wasn't to make Afghanistan a beacon of democracy for Central Asia. But that is the objective we set ourselves in Iraq. And so Iraq has a much more ambitious mission statement than did Afghanistan.

Now, we then tried to compare these experiences -- and if you ever get the book that we did, there's lots of charts that actually show how much money, how much men -- compared from one to the other and came to certain conclusions. These conclusions are not very surprising or dramatic; they're kind of "duh" conclusions, but they're still somewhat controversial.

One conclusion is that there is an inverse relationship between the number of troops and the number of casualties; that in situations in which, in a post-conflict environment, you go in with a very heavy force, obtrusive, dominating, you discourage

even the thought of opposition, and where you go in lightly you suffer continued attrition. In Germany and Japan, in the American sector in Germany and then throughout Japan, there was not one single American casualty. Not one. In Bosnia, there hasn't been a single NATO casualty since the operation began. In Kosovo, there hasn't been a single NATO casualty since the operation began.

In the instances where we tried to do this more economically – in Somalia, in Afghanistan, and now of course in Iraq – there is a continued level of attrition, and perhaps equally or more importantly, from a standpoint of accomplishing your mission, you not only suffer more attrition, you have to inflict more attrition on the population because you're compensating with firepower for manpower. So that's one lesson. Similarly, the speed with which economic growth was resumed and the level of economic growth was achieved did rest substantially on the degree of external support.

And finally, time. We have not discovered a successful instance of nation building in less than seven years. There are missions that ended in less than seven years, but they ended unsuccessfully. And so one of the lessons is you can do this well or you can do it quickly, but you can't do it quickly and well.

So those were some of the broad lessons. Now, turning briefly to Iraq and talking a bit about how this all may apply in Iraq, first I think a lesson is that most of the challenges that we've faced in Iraq, although larger in scale because Iraq is, after all, 10 times bigger than Bosnia or Kosovo, are not substantially different in nature. In most of these cases, we found that the regime that we were displacing collapsed entirely, comprehensively; it disappeared, there was simply nothing left with which one could work. That was a repeated experience.

A second was that a vacuum of power opened up which the local security forces were incapable of filling, and that if it was going to be filled at all, it was going to be filled by the United States and whatever international coalition it led. Another phenomenon was that there was a nexus between political extremists and organized crime and criminals, which quickly became a major challenge to the operation.

Looking at these previous operations, we did some analysis of what an appropriate and effective nation-building operation in Iraq might entail. And we did this before the war started. And we argued that in societies as internally conflicted, as externally challenged as Iraq, you often need a security force of as many as 20 per thousand inhabitants to establish public safety. This is the number that we deployed in Bosnia and Kosovo. This is the number that the British deploy even today in Northern Ireland. This is the number the British deployed in Malaya in their successful counterinsurgency campaign there. That yields a figure for Iraq of 500,000. Now, that's not 500,000 Americans; it's 500,000 Americans, 500,000 international, and 500,000 Iraqis, but Iraqis that are appropriately trained, equipped, controlled and reliable.

This conclusion, of course, was not shared by the administration. When the chief of staff of the Army suggested that a stabilizing post-conflict Iraq might take several

hundred thousand forces, his comments were dismissed. Others suggested that it would take no more forces to stabilize Iraq than it would to topple the regime, whereas all of our experience would have shown that it would take many times the force to stabilize the country than it would to invade and topple the regime. After all, we invaded and toppled the regime in Kosovo without sending a single man into the country. That was done purely by airpower, and yet it took 50,000 troops for a country of only 2 million to stabilize. And there, 90 percent of the population was wildly favorable to us.

So these are some of the lessons. Similarly, we did some analysis of what the costs of reconstruction might be. And there I have to say the administration has, in its most recent request to Congress, come to terms with the costs. These were calculable, I think, long before the event, at least in general terms. Our analysis suggested that Iraq's reconstruction might require up to about $16 billion a year for the first few years in international assistance. That's quite compatible with the administration's request to the Congress for $20 billion, which is intended to last about 18 months. So I think that in economic terms, the administration has come to terms with the scale of the effort.

Another area where we've been slow to apply the lessons of the last decade has been in building a new Iraqi police service. In these previous instances, we have done three things simultaneously -- and this goes back to our experience with Panama and then El Salvador and then Haiti and Kosovo. We have used the existing indigenous police structure, despite the fact that it was largely – totally discredited and largely had disintegrated, because it was the only thing you had, but simultaneously we brought in significant numbers of international police, beginning in Haiti and then in Kosovo, where we brought in 5,000 of them. We haven't brought in any in Iraq.

And the third thing we did begin building a new police force immediately, one which would eventually take over from the old police force but would not be linked to it through an institutional culture and heavy overlap in manpower. So we opened a police academy, we began recruiting new people and we began training them, and over time began deploying them so that 18 months or two years later we had a new institution to take the place of the old. That hasn't begun either yet in Iraq. There's talk about opening a police academy in Jordan -- I think that's going to start soon -- and we will begin to see, you know, new recruits being given more than a week's training, or two weeks' training, which is what we're doing with the existing force right now. But it's another process that has lagged.

The administration, I think, you know, can be charged with being guilty with calculated inexperience in two respects. First of all, they chose to shift responsibilities for the civil aspects of reconstruction from those who had been handling them, never, perhaps well, but with increasing competence over the last decade, to an agency – that is, the Department of Defense – that had not had those responsibilities since 1952. That, needless to say, added immense start-up costs to the enterprise.

Secondly, the administration has looked for its inspiration and its models exclusively in the 1940s. Now, it's fair enough to use Germany and Japan as models.

There are valid comparisons. Nevertheless, Iraq in 2003 looks a lot more like Yugoslavia in 1996 than Germany and Japan in 1945. First of all, in 1945, the U.S. had 50 percent of the world's GDP. Today we only have 22 percent. So burden sharing is a much more realistic option and much more necessary from the standpoint of the American taxpayer.

Secondly, Germany and Japan were homogeneous societies, they were thoroughly defeated populations, and they were first-world economies, whereas Iraq is none of those. Iraq, like Yugoslavia, was carved out of the Ottoman Empire at the end of World War II. It aggregates a number of social-religious communal groups that are in tension with each other, and it's surrounded, like Bosnia and Kosovo, by countries that are not necessarily of a similar mind as to how that society should develop.

The other major lessons – and I'll finish here – that we neglected from the 1990s was that you can have unity of command and broad participation, that we did find institutional arrangements which we perfected over time and which gradually became better, which allowed very broad participation, unity of command, and American leadership at the same time.

So let me just say in conclusion that there is still time to recover in Iraq; there is still time to apply some of these lessons, although we've lost a lot of ground and it's going to be much more costly than it might otherwise have been, particularly in terms of manpower. But we also have to wonder about whether we're going to do this better next time. For the last decade, we've treated each of these successive operations as if it's the first we've ever done. And worse yet, we've treated each of them as if it's the last we're ever going to do. So we sent new people with new ideas to face old problems and they make old mistakes. Then when it's over and they've learned something, we disperse them; we sent them on to other positions. We don't have personnel structures that reward them, that make them available for the next one. When the next one comes along, we recruit completely new people all over again.

Over the last decade, we've seen how American armed forces' war-fighting capability has improved dramatically, and it's improved dramatically because we've made dramatic investments in it, as a result of which we can win bigger wars with less men, more quickly and with fewer casualties, because we've invested billions. We haven't invested anything in our capacity for post-conflict reconstruction and democratic transformation. And until we start making some investments in those capabilities, we're not going to do them better. And given the pace at which we're doing these and the likelihood that Iraq is not going to be the last of these challenges, we really need to do a better job on next time.

Thank you.

MR. ROEMER: Thank you very much, Ambassador Dobbins. That was a terrific historical overview with some very practical suggestions for us in the future.

Let me outline where we will go from here. Why don't I ask Ambassador Dobbins, who's teaching us well, a few questions? We would like to take a few questions up till about 10:25 from you in the audience. There are microphones on both sides, and we would ask that when you approach the microphone that you identify yourself and your organization, and try to be brief in your question so that we can get additional questions to Ambassador Dobbins.

Ambassador Dobbins, let me start. And again, I appreciate your time here this morning and your expertise, and again want to thank you for your dedication to public service and to this difficult, very arduous enterprise of trying to rebuild nations scarred from war or scarred from dictatorship or tyranny. You said – and I quote – in your presentation that the administration had "inescapable responsibility" – or you said, excuse me, you said that there is "inescapable responsibility for the U.S. and today's world to engage in nation building." We saw that happening throughout the 1990s. You then said that the administration is charged with, and I quote, "calculated inexperience," unquote.

I'd like you to lay out even more specifically in terms of the security challenge ahead for the United States, which seems to be the overwhelming one, what particular milestones, what particular objectives do we need to lay out to readjust where we started in order to better secure the county, whether it be with troops, whether it be with the training of police or border patrol or installation protection. How do we do that without shortchanging the people, the Iraqis, that are going to be in those positions and therefore undermining the effort when the U.S. eventually leaves, to have these people be in positions where they can sustain the change for a long period of time and start to move Iraq toward a more stable, free, and open democratic regime.

MR. DOBBINS: Thanks. Well, that question probably deserves another half-hour lecture. I'll try to avoid that.

I think that there's a lot of good things going on in Iraq. Local government is being established on a democratic basis in many regions; the public services, utilities, are back up to pre-war levels; many parts of the country are basically secure in going about their business. Important economic reforms are being introduced, which will facilitate a resumption of economic activity. But all of this is going to be like a sand castle on a beach. It will be washed away if we don't master the security situation. And so a focus on that situation is appropriate, despite the real progress that's taking place in other sectors.

I think we need to get realistic about the manpower needs. We need to look at previous circumstances. We need to look at the manpower requirements of security in neighboring states, in other states in the region, in other states with similar requirements and set reasonable goals.

We need to acknowledge that this is probably a job beyond the capacity of even the world's only superpower to do alone. Now, we need international participation, both the legitimacy it affords and for the additional resources that it can provide. And

international participation means that we have to accord others a voice in the management of the enterprise commensurate with their contribution to it, something that we have been reluctant to do to date. It's not going to be easy to repair the damage of now nearly a year of transatlantic bickering, but the United States needs allies that have two qualities: one, that they themselves can deploy and sustain significant expeditionary forces, that they don't depend on us to do that; and secondly, that they have large aid budgets so that when they deploy those forces they also deploy the civil assets: the judges, the aid officials, the NGOs, and the other forms of assistance which will ensure that whatever sector they take over actually undergoes the kind of transformation which makes the military occupation worthwhile.

There's only half-a-dozen countries in the world that have those capabilities, and if we don't get them on our side, if we don't have them significantly engaged in Iraq, then I don't think that we will be able to make the commitment in manpower, money, and above all, in time to do this properly. We do also need to engage the Iraqis. I think that what's come to be called the Bremer plan, while it's perfectly logical, is flawed, not because it turns too little power over to the Iraqis but because it turns too much over. Specifically, Bremer's plan has turned over to the Iraqis the decision of when they're going to have a constitution, when they're going to have elections, and thus when they'll have a government. And the sequence is first they have to have a constitution, then they have to have elections, then they get a government, and then they get sovereignty.

Well, that's all very logical, but we've turned that responsibility over to a group of Iraqis who can't even agree on who their chairman is and who haven't agreed yet, after now three or four months, how to write a constitution, let alone what should be in the constitution. So it's very unlikely that these benchmarks are going to be met in any near-term situation. Therefore, I do think we're probably going to have to move from a two-stage process to a three-stage process.

The two-stage process is occupation gives way to freely elected, fully empowered sovereign Iraqi government. And I think the three-stage process is occupation gives way to a provisional, un-elected, not fully empowered but sovereign Iraqi government under international oversight for some prolonged period, following which there is a constitution, there are elections, and you have a freely elected, fully empowered government. It's essentially the Bosnia model, where you have a sovereign Bosnian government, which has a seat in the U.N. and borrows from the World Bank, but you also have a high representative who is empowered to take steps that are necessary to keep the democratic process online.

So I think those are some of the things we need to do.

MR. ROEMER: One more quick question before we get to a couple of people in the audience. There certainly is progress being made in a host of areas, and when members of Congress come back from visiting Iraq, many of them are quick to say, whether they're Republican or Democrat, that in the religious area, in some of the economic reconstruction areas, there has been some significant progress with respect to

the international institutions that could help the United States, specifically the U.N. and the Red Cross. The U.N. has decided to significantly reduce its presence; the Red Cross is in the middle of that decision. What kind of impact will that have on these reconstruction efforts?

MR. DOBBINS: I think it's going to have a really negative impact, if it's sustained, because it will deny a good deal of this, the kind of legitimacy it requires. It's hard to imagine an election in Iraq that's supervised and overseen exclusively by the United States, with no international participation, no U.N. monitoring that's going to be judged free and fair by most of the world, or even perhaps by most Iraqis.

Now, I believe that the U.N.'s position is a reversible one. Their basic calculation is we don't have any influence, why should we take any risks? The U.N. played a central role and largely unacknowledged role in creating the Iraqi Governing Council. It was de Mello, the now-deceased head of the U.N. mission, that worked with Bremer with the various components on a deal which brought about the creation of the Governing Council, and I think the U.N. could play a critical role if we move to the next stage, as they did so successfully in Afghanistan, of bringing about a broader national consultation in Iraq, which could lead to a provisional government.

MR. ROEMER: Thank you, Jim. Why don't we start over here? Thank you.

Q: Hello, can you hear me? Yeah, you can. Good morning, Ambassador Dobbins. I was wondering, for those like you who advocate nation building, to whom in the administration are you directing your studies, and who do you think within the administration or the larger government structure is interested in pursuing those kind of nation building objectives?

MR. DOBBINS: Well, to be fair, I think that there has been pretty broad interest, which doesn't mean that those most responsible have bought off on all of its details. The study was actually funded with Department of Defense funding. Iran, rather than the Department of Defense, chose the subject, but we were using money that had been allocated by the Department of Defense. The Department of Defense reviewed the study before it was published and approved its publication without suggesting a single word be changed. I know it's been read at the highest levels in the State Department with interest. Similarly it's been circulated and commented on in the NSC. And we get a very heavy demand within the Department of Defense.

Finally, there's been a lot of interest on Capitol Hill. The president's $87 billion request sparked a significant debate and a great deal of interest. I've personally met with more than 100 members of Congress, and the book has been quoted and cited numerous times on the floor of both the House and the Senate. So I can't complain that this is in any sense being ignored, either by the administration or the Congress.

Q: (Off mike) – scientist at the University of Virginia, and I'm very sympathetic to the comparative nature of the project you're describing. As you can imagine, I'm very

interested in the conclusions. As you'd expect from a professor, I have quibbles that are definitional to do with selection bias, but I'll – they're for very practical reasons and I'll take them in turn.

The first is a definitional one. One of the things that the administration seems incredibly concerned with in the case of Iraq, in particular in response to suggestions that it ramp up the manpower in question, is that they are determined to avoid a familiar dynamic in which the larger the presence internationally, the greater the dependence locally on that, the more that locals organize themselves around what they perceive to be this enormous force, in whatever sector of activity.

It did occur to me that your definition of nation building does not include getting out: the idea of creating a transition to a durable democracy or durable, stable constitutional regime of some kind. But in the cases of Kosovo and Bosnia, which might be coded as successful in that case, we're still there and there is absolutely no sign of conditions under which we could successfully remove all international force, or most of it, and have that dynamic be guaranteed to continue. And in that sense it could be that there are aspects to those successful nation-building exercises that maybe aren't so successful if they are not themselves self-sustaining. And I wonder if you might speak to that.

Secondly, to do with selection bias, one of the distinctive features of some of these nation-building interventions is enormous consensus in the populations that were doing the nation building, not just America in earlier cases but partners as well. Then there are cases in which there is not that domestic consensus, and surely it does matter on the ground what locals perceive the likely level of commitment, nature of commitment, duration of commitment, of the international force to be. You said yourself, for instance, a very large, heavy presence of occupation can signal that resistance is pointless. And so those kind of calculations, perceptions of commitment really matter.

One distinction that can be made is that in cases like Somalia and Haiti, it may not be that we pulled out too soon, it's that administrations were well aware that there was no domestic consensus over staying there any longer. We don't know for a fact that staying there longer would have mattered in those cases if locals believe that our presence was precarious or brittle. And I'm wondering if you could speak to the fact that in this case, like those, an administration is attempting to create a longer presence on the Japanese or German or maybe Yugoslav models, but without nearly the degree of domestic consensus over that that those experiences enjoyed to the extent that they did.

MR. DOBBINS: Well, those are good questions. I think our study says explicitly that exit strategies and successful nation building are mutually incompatible; that if getting out is part of your strategy for going in, don't go in.

The United States still has troops in every country in which it's been successful: Germany, Japan, Bosnia, Kosovo. One factor is that most of these have been instances in which we determined for one reason or another that the states involved would no longer

threaten their neighbors and therefore that initially, through our fiat and then through their own consent, they voluntarily disarmed themselves. Japan and Germany undertook not to acquire nuclear weapons even though their neighbors had nuclear weapons.

If you determine a state is no longer going to threaten its neighbors, you've also determined that that state's no longer going to be able to defend itself. It's axiomatic. And if you've determined that and if you intend to perpetuate that, then you're going to have to provide some kind of offsetting security arrangement, either through the presence of your forces or some other arrangement to compensate for that limitation. And certainly, if Iraq is not going to have weapons of mass destruction, given the neighborhood it's in, then the United States is going to have to guarantee its security and perpetuity. There's no alternative. Now, it doesn't have to do that through the presence of American forces. There might be other arrangements that would do it. But some kind of ongoing commitment is almost inherent in the concept of a permanent disarmament arrangement.

On the other hand, I think the cases you – it's true that one cannot, at this point, definitively say the international mission in Bosnia will be over on X date. On the other hand, we've cut our forces in Bosnia every year by half. We're now down to 1,200 and I think the Pentagon is probably going to remove those entirely within a couple of years, leaving the residual mission to the Europeans. And the Europeans have cut their forces in half every year. So at some point – you know, if you cut your force in half every year it never gets to zero but at some point you have to say, do I care anymore?

So a successful nation-building mission is one in which you can undertake very substantial reductions in your commitment progressively over time, perhaps never getting to zero but eventually getting to a level that you can live with, as we've lived with our troop commitments in Japan and Germany quite comfortable for decades.

Certainly a domestic consensus is important. One of the reasons that the Yugoslav operations have succeeded, despite the fact that Bill Clinton had a much narrower margin than George Bush has for Iraq -- and Bill Clinton never submitted any of his interventions to a congressional vote because he would have lost every vote, and so he never could go get a congressional endorsement for this, whereas most Democrats voted for the war and most Democrats voted for the $87 billion, something that Bill Clinton never would have been able to achieve. But Bosnia and Kosovo were international operations in which American constancy wasn't the only factor that the locals had to consider. They also had to consider the attitude of the European Union and of its member states, which, because of the proximity of the problem, had an even higher incentive to stay the course.

But just to conclude, I mean, I think that you need to make a calculation when you go into these things as to whether you're going to have the constancy to stick with it, and if you're not, then you want to think twice about the enterprise because it's not going to end successfully in less than half a dozen years.

Q: Hi there. My name is Andrew Langer, and I run a working group on international property rights issues here in D.C., and I'm wondering – you know, I'm glad to see that you've gotten – well, at least you understand that there's an intermediate step for democracy building or nation building, that there's this constitutional system that has to be put in place beforehand. I'm wondering if you might be able to touch upon the role that a system of formal protection of property rights might impact development in Iraq or nation building in Iraq, and whether or not you can touch upon anything in that regard which is going on right now, whether or not you know offhand of any plans that the administration might have for doing that.

MR. DOBBINS: Well, setting in place a regulatory and legal framework for economic activity is one of the most important things to do early on in one of these operations. And although it doesn't cost much money, it's very difficult to do. And in many of these cases, it hasn't been done. As a result, the amounts of money have largely been wasted.

In Iraq, Bremer's staff is putting forward, and intends to implement, a series of regulations on foreign investment and property rights and taxation, which will create such a framework – and they're already done some things on the macroeconomic side of creating a new currency and all. This is very good, and in some ways does put Iraq ahead of where we were, for instance, in Bosnia, or in Kosovo, at this point in terms of creating the right underpinning and regulatory framework. I frankly think this is much more important than the infrastructure funding that we've put so much emphasis on this time around. I'm not sure that we need to spend what amounts to about $10 million to give the Iraqis a better electric grid than they had before the war. That strikes me as something that the World Bank can do eventually. But giving them a regulatory underpinning is important.

At one point – just to the last question, which occurred to me, incidentally -- your question about dependency. The administration has made a point of dependency. On the other hand, the current aid package of $20 billion works out to $1,000 per Iraqi. Iraqis' per capita GNP is only $500. So this is an amount of assistance, just from the United States, that's more than double their per capita, and indeed overall GNP. It's also an amount of money that's bigger than the U.S. aid program for the whole rest of the world combined. So Iraq will be the most aid-dependent country in the world by far as the result of this. There's no doubt about that. How long it will be is another question, but in terms of the next couple of years, Iraq's dependency will exceed any other country in the world, by far.

MR. ROEMER: We have time for two more questions. Up here and then over here. Thank you.

Q: Thank you, Ambassador Dobbins for your interesting comments. I'm Massimo Calabresi from Time Magazine. I wondered if you could just address briefly how your study accounted for development factors. A brief look at your successes and failures might lead one to conclude that the successes are associated with countries with a

certain standard of development as opposed to the failures being those that are particularly undeveloped. Thanks.

MR. DOBBINS: Well, no, I don't think so. I mean, it's clear that reconstructing a first-world economy is a lot different from reconstructing a third-world economy, because in the first case, reconstruction is a legitimate term. In the second case it's a euphemism. You're not reconstructing a third-world economy; there wasn't anything there – you're trying to construct something new and it's much more difficult.

In the short term, economic growth and aid levels are almost exactly consistent, and so if you're talking about the first few years, then getting the economy back up to its pre-war level and then beginning a process of growth depends largely on assistance levels. Obviously, the pre-war growth you get to is either third-world or first-world, but getting them where they were and then beginning to expand is largely aid-driven.

Remember that the objective, at least as I've defined it, is not to make these societies prosperous, it's to make them democratic. Now, for instance, Japan got virtually no assistance from the United States. It didn't get the Marshal Plan. It got some food aid immediately after the war, most of which we asked the Japanese to pay for. The Japanese economy did not begin to take off until the 1950s, and that was a result of the Korean War and the American spending.

Japanese political transformation was, according to MacArthur, finished in 1947, long before Japan's economy had revived, let alone become prosperous. The Japanese associate democracy with prosperity because first they got democratic and then they got prosperous. Germans similarly. The Marshal Plan didn't begin until 1948, and Germany was a relatively modest recipient of Marshal Plan aid, as compared to the other countries. Germany's economic growth really didn't take off until the 1950s, the economic miracle, which was after the political transformation had taken place. Again, in the German case, first they got democratic and then they got prosperous. And I think in these cases, because we're driven by a development industry in our own countries, we tend to think that the opposite is the case: first you make them prosperous and then somehow you bribe them into being democratic as the result, whereas I would put our priorities somewhat differently in these situations and put traditional kinds of development assistance, not the regulatory reforms I talked about and not society and civil society building, but infrastructure and other traditional development projects. I would give them the lowest priority for the first several years.

Q: Good morning. My name is Colleen Shogan. I'm a political scientist at George Mason where I teach courses in American government. And I wanted to know – recently a group of female members of Congress went over to Iraq, and to their dismay they reported that there was very few Iraqi women involved in the process of nation building. I wondered if you could comment on that. Is there anything we can do about that? Is there anything we can do about that at this time? And related to that, what type of democracy are we trying to build in Iraq? Are we trying to build a liberal democracy,

a representative democracy? I wonder if you could comment a little bit about our goals in that regard.

MR. DOBBIS: Well, I think the goal is a liberal or a representative democracy. It's certainly a one-person-one-vote. In Western societies, of course, first we got democracy and then we got women's rights. In cases in which you're coming into societies that are new to democracy, you have an opportunity of doing both simultaneously, and to some degree, to the extent women become more active in the society, that itself will tend to promote democratic values and more peaceful societies, as has been the general experience. At the same time, if you push it to the point you get a severe backlash, you may actually retard the process of democracy.

There are women on the Governing Council. I would guess that other institutions, as they are set up, women will be represented and there will be an effort to promote programs that, particularly in the civil society area, begin to bring women out. In some respects it will be easier in Iraq than in Afghanistan because Iraq has been a secular society in which women have been more free, at least as compared to men, in that society than they were for instance in Afghanistan. But it's going to be a slow process.

MR. ROEMER: Thank you very much. Could we have another round of applause for Ambassador Dobbins? (Applause.) Terrific presentation. Again, Ambassador Dobbins' book, "America's Role in Nation Building," put out by the RAND Corporation – very, very interesting historical read.

I want to try to keep us on time. We have a very, very good panel coming up with a terrifically talented moderator.

(End of morning plenary session.)