Strategic Adjustment: Assessing Risk Tradeoffs

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**Title:** Strategic Adjustment: Assessing Risk Tradeoffs

**Abstract:**
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The Challenge

- Declining Budgets
- Rising Powers
  - China in Particular
- Exploding Personnel Costs
  - Health Care in Particular
Answers

- Retrench
  - Though some would argue there are some positive sum options here.

- Refocus
  - Pivot to Asia?

- Risk
  - Accepting more or different kinds of risk.
Each option is really about accepting different kinds of risk.

- Geopolitical risk
  - Discouraging allies
  - Emboldening adversaries

- Military risk
- Personnel risk
Military Risk

- Assesses how costly military operations are likely to be.
  - Cost in lives
  - Cost in equipment
  - Cost in time

- Is our current level of military risk appropriate?
U.S. military dominance is currently unparalleled. Manifests itself variously:

- U.S. faces no peer competitors.
- There are few (if any) plausible military missions that U.S. is incapable of accomplishing quickly and at low cost in lives and equipment.
- We are now operating in a 99.99% uptime scenario. Can we afford to be in a 95%?
Costs of Overshooting Risk Mitigation

ᶨ Commitment to across-the-board qualitative superiority is prohibitively expensive and is driving an out of control requirements spiral.
ᶨ U.S. is competing against itself.

ᶨ Military risk is so low that it encourages feckless uses of force.

ᶨ U.S. capacity/throughput is lower than predicted by expenditures.
Options for Adjustment

- Focus on most likely scenarios rather than worst case. Plan capability to deal with cases like Iran and North Korea rather than China.
  - Resultant force will be cheaper, but not noticeably less capable in those scenarios.

- Accept that U.S. military action will require more lead time in some cases.

- Plan for mobilization in cases of major conflicts.
The Rise of China

- China is United States’ second biggest trading partner. In 1985, USSR was 29th.
- China relies on global commons as much as U.S.
- Plausible causes of conflict are quite limited.
- If major conflict does arise, it will not be won or lost by forces in being.
  - There is nothing equivalent to Soviet thrust to the Atlantic to transform conflict quickly.
Health Care

- Either we fix it or we don’t.
- If we don’t, then no amount of strategic innovation solves the problem.
Restraint

There are also opportunities for U.S. position rather than merely threats.

Globalization, democratization, rise of new potential partners like India, Indonesia, and Brazil make plausible a U.S. posture based on enabling allies rather than providing public goods directly.

But we should adjust out of desire to secure benefits, not because of supposed demands of austerity.
Conclusions

 America’s strategic challenges are largely a function of unexplored assumptions about risk.
 By accepting relatively small amounts of additional military and personnel risk, U.S. can limit the need for hasty resource-driven retrenchment.
 There are, however, compelling affirmative reasons for greater restraint.