

# Policy and Purpose

## The Economy of Deterrence

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THE 2008 Air Force Association convention chief of staff keynote addressed the subject of deterrence, asserting that it is not a fading construct in national security. On the contrary, deterrence is reemerging and growing in importance as an aspect of US defense policy. The keynote speech invited the audience to think about deterrence in a broader sense and how the US Air Force can contribute in a fashion relevant to twenty-first-century national defense. The purpose of this article is to add to the growing body of literature that seeks a broader understanding of deterrence and how it fits with other forms of policy such as dissuasion, assurance, and insurance.<sup>1</sup>

Identifying and understanding the distinctions between these concepts and how they relate to US policy are fundamental to explaining the relevance of deterrence to our collective security. This task is certainly ambitious, but the need demands consideration. Deterrence policy has shown itself an

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exquisitely beneficial tool in obtaining national security objectives. On the other hand, deterrence—either misunderstood or misapplied—can form the basis for incomplete or ill-advised US policy, especially in terms of how and when to use military power to achieve high-stakes national security objectives. A variety of recent and historical examples attests to a vital requirement for understanding how disconnects between military capabilities, national policy, and the value of national purpose can cause unfavorable if not disastrous consequences.<sup>2</sup>

Such disconnects have often occurred because the policy paradigms or the associated strategies employed were frequently designed for a bygone or mismatched context. This situation has become more apparent as the rate of change in the global security environment exceeds that of policy design, making the disconnects even more pronounced. In recent years, defense strategists persuasively postulated that “the United States needs to develop a more comprehensive approach to deterrence that looks beyond nuclear weapons . . . [and] tailor deterrence strategies and postures to each potential adversary.” Initially, the primary reason for this new requirement was the emergence of a new strategic environment as “the Cold War is now over; the Soviet Union is gone. Advanced weapons capabilities have spread and will continue to spread to other parties . . . the behavior of numerous other parties must be watched and preferably controlled.”<sup>3</sup> In addition to this contextual shift, Russia has succeeded the Soviet remnant, subnational extremist groups disrupt the international system, and ascending regional powers contest for resources in an increasingly competitive world. With these and other trends in mind, the implications suggest a need for innovative policy and supporting defense capabilities. It seems clear that Dr. Schlesinger’s following observation applies to arms control in specific terms and more broadly, by implication, to defense policy in general, where “the future of arms control will depend on the willingness of our negotiators to shed obsolescent ideas.”<sup>4</sup> We suggest the same is true for the future of deterrence policy and the form the military instrument takes to support its purpose.

Our intent is to promote expanded thinking about future deterrence policy’s role and to provide perspective on how US Air Force capabilities can support policy’s purpose. That being said, it is important to have a clear understanding of what deterrence is—and is not. To those ends, we will first identify some limitations of this theory and then address a fundamental question on the nature of national power, followed by a theoretical framework for policy. We will also examine some characteristics of dif-

ferent regions of the framework and the challenges they present to modern strategists. We examine the specific aspects of policy as they relate to both national and subnational actors in deterrence. The article concludes with an assessment of the economy of deterrence policy within the theory framework as we examine the implications for US Air Force strategists, leaders, and Airmen at large.

## **Theoretical Limitations**

Our exercise here is academic, but our purpose is much more meaningful. The consequences of our failure to understand how military capabilities relate to applicable policy are unacceptably severe. When called upon, we must be able to help our civilian leaders design deterrence policies that are credible, supportable, and logical. We must know when and under what conditions deterrence is a likely policy candidate, the requisite supporting capabilities, and how our craft might achieve the desired purpose. The subsequent theory serves as the foundation for understanding policy, purpose, and the economy of deterrence. This construct is not meant to serve as doctrine, dogma, or as a deterrence strategy, nor is it meant to be exhaustive; it presents no proven predictive ability with any degree of certainty. For the purposes of this article, it is limited to the military instrument, with an eye toward an expanded understanding of deterrence's interplay with the other instruments. Our examination will initially limit discussion to nation-state interplay and later will examine the interrelationships between national and subnational forces.

We acknowledge scholarly wisdom that likely applies here. A great strategist once observed,

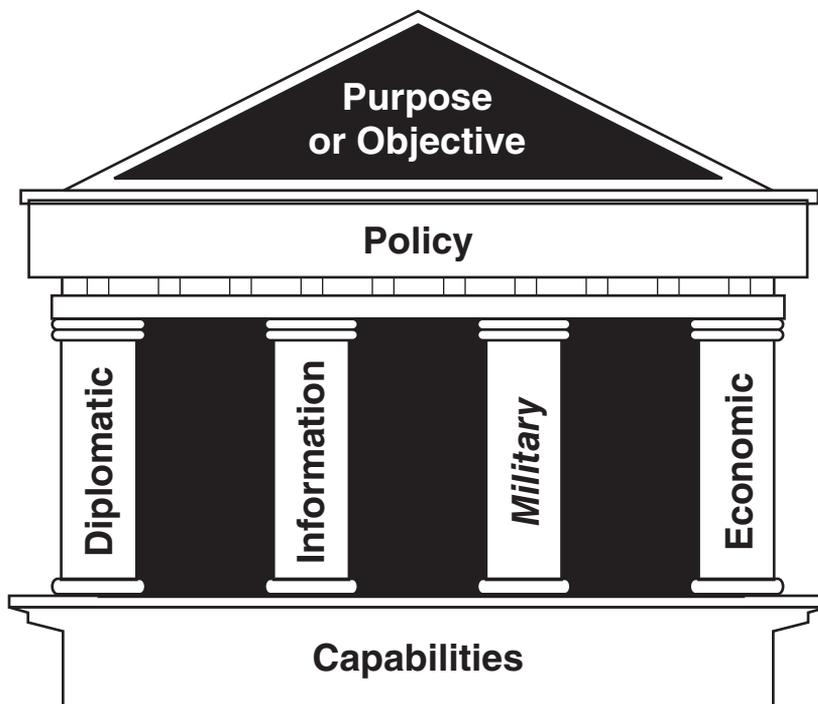
I am painfully aware that scholars and officials, civilian and military, are apt to be mesmerized by their own conceptual genius. . . . We love our categories and our subcategories. Their invention gives us an illusion of intellectual control. . . . The results all too often are official definitions that tend to the encyclopaedic [*sic*] and are utterly indigestible.<sup>5</sup>

Our sincere hope is to avoid this trap and rather provide some compelling points to ponder for strategists and tacticians alike. If these issues do appear to emerge, please excuse them as unintended by-products of genuine efforts to encourage dialogue on, and consideration of, current and future challenges for military thinkers.

## **National Power, Legitimacy, and Control**

The ideas here consider deterrence in proportion to other policy; however, policy and purpose must always have primacy in these discussions. As Morgan observed, “Understanding [deterrence] means facing up to the fact that it is inherently imperfect. It does not consistently work and we cannot manipulate it sufficiently to fix that . . . it must be approached with care and used as part of a larger tool kit.”<sup>6</sup> Accordingly, this article attempts to treat deterrence with appropriate care by examining its use with respect to military means and the other metaphorical tools in the policy kit. We should recognize that each policy has some purpose or intent in mind and that the military instrument supports the policy in achieving that objective. The military instrument works in concert with the diplomatic, economic, and information instruments of national power to support policies aimed at achieving specific purposes.

A fundamental question to initiate our discussion is this: What is national power? The question is important because the answer presumably dictates precisely what the instruments of national power should seek to attain. National power takes on a variety of practical forms depending on geopolitical conditions. However, we can identify certain essential character-



**Figure 1. Policy and purpose relationship**

istics of national power. History is full of examples of nations mistaking the ability to exert control as a dominant and durable form of national power. Likewise, we see historical examples of weak actors with superior legitimacy and political will defeating materially stronger foes. Perhaps we can estimate what is necessary for national power but not that which is both necessary and sufficient. We offer the assumption that nations seek some purpose or object of value to them, and they leverage their instruments of national power to achieve those ends.<sup>7</sup> We therefore express national power in terms of the total number of choices available to a nation and the maximum national value those choices are capable of achieving.<sup>8</sup>

Legitimacy and control are contributing components of national power. Nation-states derive legitimacy from their moral, resource, and humanitarian obligations to their citizens and to neighboring nations. Meeting these obligations establishes some level of legitimacy, and international norms and regimes form the basis of international relationships that allow nations to maximize their ability to meet these obligations. Norms and regimes form the basis of international law, economics, diplomacy, and warfare where the expectation of justice between states is founded upon nations meeting their obligations without infringing on other nations' ability to meet their own obligations.<sup>9</sup>

Control, on the other hand, is one nation's ability to affect the cost-and-benefit equation for other nations over time. Nations can reward each other by offering mutual benefits or can exact costs by depriving each other of something of value. The payoff or reward is the ultimate consideration in the exercise. Control leverages some set of ways and means to alter the cost-benefit-reward proposition in some way as to compel an actor to do something it is not naturally motivated or inclined to do.

We assume these two components share an economic relationship. Legitimacy and control coincide to determine the number of national choices available to a nation and the maximum national value those choices can achieve. They work together much like supply and demand. Economics explains how supply and demand determine the market price of a product and the total quantity of products that will be sold. In the exercise of national power, legitimacy and control determine how many choices are available and the value of those choices' outcomes. We will limit our discussion of this point to the relevant portion of our theoretical construct, for much more could be written about the economic dynamics of national power. For our purposes here, it is necessary to recognize that

the instruments of national power work together to achieve something of value; they achieve that value by building legitimacy and exercising control with national resources. This forms an economy of policy; investment of national resources in the instruments of power enables collective action. These actions are choices taken to leverage legitimacy and control to attain value. This suggests that the best policy is one that maximizes value for a minimum investment; poor policy invests more than the value of return. The theoretical framework that follows utilizes the concept of national value in deriving specific aspects of policy and purpose.

At the most elementary level, policy and purpose form proximate considerations, and policy is subordinate to the object it seeks. This purpose provides the value and meaning to any policy associated with it, and all policy should link to some demonstrable purpose or object. This is certainly the ideal rather than consistent reality, and it is important to note that policy forms at the highest levels of national decision making where complexities abound; the practitioners of the instruments of national power are, at most, advisors to the makers of policy on the realm of the possible. The instruments of national power must support designated policy to a prescribed degree in order to achieve the desired object.

If we allow for the assumption that this principle applies to both the conduct of war and the military instrument as constituted by all its ways and means, then we find a prescription for proper conceptualization of defense issues and strategy. We accept the conclusion that “the first, the supreme, the most far-reaching act of judgment that the statesman and commander have to make is to establish the kind of war [application of the military instrument] on which they are embarking; neither mistaking it for, nor trying to turn it into, something that is alien to its nature.” This logic serves as a prescription suggesting our examination of deterrence, or any other policy application of the military instrument, should begin not with ways and means in mind, but rather ends—policy’s object—followed by the requisite blend of the instruments of national power. We must also think of the interplay, both by design and coincidence, of interrelated policies and their objects in context.<sup>10</sup>

## **Theoretical Framework for Policy**

Our examination deals squarely in theory, and we acknowledge that the question of policy and purpose in the realm of deterrence requires a

stipulation that “in discussing the *theory* it is important to distinguish it from deterrence *strategy* . . . the theory concerns the underlying principles on which any strategy is to rest.”<sup>11</sup> This article proposes no strategy but seeks to expand the understanding of strategic potential by illuminating related policy as a whole. Both etymology and political parlance offer the notional purpose of deterrence “to frighten away” an aggressor. Clearly there is much more to deterrence policy’s purpose, but we can understand from this simple consideration that deterrence has a *negative* purpose; deterrent intent is to prevent an adversary’s action. The concept offered here assumes this is the case and posits that each policy is ultimately governed by that primary nature and that any negative policy purpose can share a corresponding positive policy purpose—each aspect offering different features, yet inextricably affecting the other to some degree. In the case of deterrence’s negative purpose in statecraft and strategy, we see an opposing positive purpose of attracting and assuring allies against the ranks of the potential aggressor. These two objectives of policy work together toward our national security, the value of which is enumerated by the rigor of our policy in preserving cooperative friends and preventing adversaries from hostile acts of violence. In a similar fashion, we must consider policy implications on both the nation-state and subnational actor levels while carefully confirming our assumptions regarding the rationality of all the actors involved.

The ways and means available within the instruments of power are sets of capabilities designed to create effects that support the attainment of policy. This point cannot be overemphasized, as capabilities should not substitute for the purpose in policy making; rather they are subordinated to policy’s work in obtaining its purpose.

Failure in recognizing this relationship leads to all sorts of problems as technologically sophisticated capabilities begin to drive policy independent of the purpose or value. To paraphrase Abraham Kaplan’s Law of the Instrument, if all you have is a hammer then every problem looks like a nail.<sup>12</sup> This is not to say that policy is insulated from capability considerations, for no policy can hope to achieve its purpose without requisite capabilities. Military capabilities aid policy makers in deciding which objects can be achieved with acceptable means at reasonable cost; capabilities must remain adjunct to policy and purpose in appropriate fashion.

The theory we offer here is designed to explain the interaction of positive and negative objects relating to deterrence and to help explain the

challenges of moving from Cold War deterrence policy (as it was) to future deterrence policy. The framework is built upon a foundation of the gradient of allies and adversaries along with another of Clausewitz's notions. We will begin with the former and posit that our relationship with other nation-states can be expressed as a continuum of coexistence and cooperative potential. One end of the continuum represents our very best friend—a wholly vested partner committed to peaceful coexistence. The other represents a bitter adversary—one who is devoted to depriving us of our sovereignty and to our ultimate destruction. The latter notion is considered here as a treatment of Clausewitz's assertion that "the more powerful and inspiring the motives for war, the more they affect the belligerent nations and the fiercer the tensions."<sup>13</sup> The level of *power* behind the motives toward a policy's purpose will theoretically drive the level of *force* behind the policy. There are exceptions to this principle in bluff and blunder, but for the purposes of this examination we will consider that in general the more powerful the motive for the purpose, the more forceful the policy. Furthermore, any policy's force can be generally characterized as fixed or flexible.

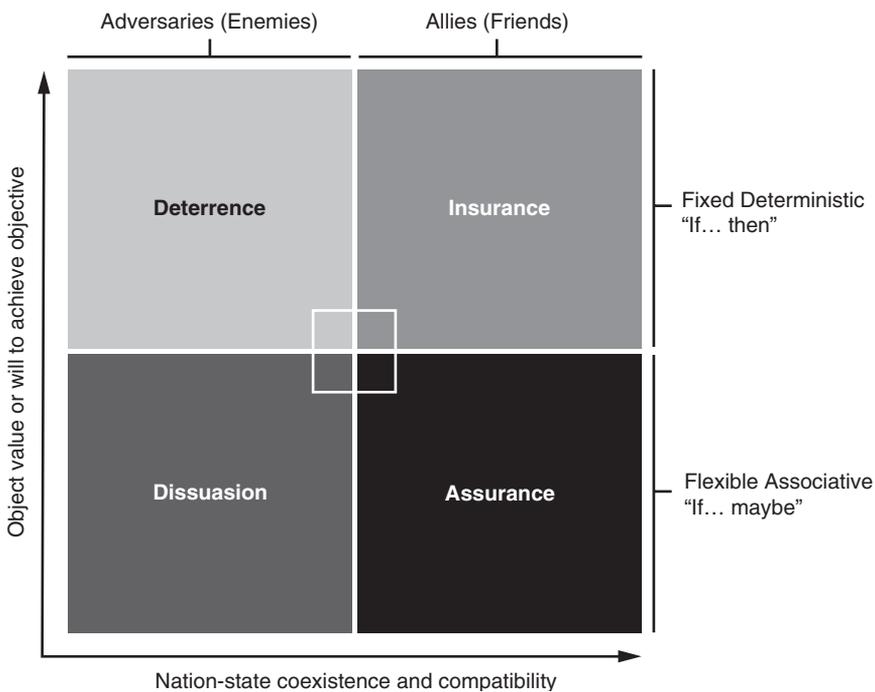
## Two Types of Policy

Fixed policy is deterministic in nature and is characterized by a declared statement of intent and action, which can take on a variety of forms. We are interested here with the "if . . . then" nature of a fixed policy. Thomas Schelling describes this aspect of deterrence policy distinctly as "setting the stage—by announcement, by rigging the trip-wire, by incurring the obligation—and waiting."<sup>14</sup> In this type of policy, the threat or outcome is clearly and overtly communicated with a rational and perceived credibility in two forms. The first is to an adversary: if your nation does something specified that our nation finds unfavorable, then we will take this specified action against you. The second is to the friend: if another actor does something specified that both our nations find unfavorable, then we will take this specified action on your behalf. Our policy is fixed, we wait, and our response is *determined* by the choices of the other party.

Likewise, we can characterize the flexible form of policy as an associative one that suggests a response may follow to varying degree. Our focus here includes the "if . . . maybe" form of flexible policy. In this type of policy, we associate by movement, posture, procurement, or inference that if another

nation takes any unfavorable action, then we might take some unspecified action in response. The outcome may be *associated* with the choices of the other party but not necessarily so. We set our policy, go about our business, and retain the flexibility to act in response to the choices of the other party. The two policy types are distinct, serve different functions in achieving different types of objects, and derive their places based on the perceived value of policy's purpose.

Once we have defined these regions of the framework by their distinct characteristics, we can see a series of policy relationships form based upon their functions. The region we are perhaps most familiar with in dealing with a negative purpose toward our adversary is the upper-left quadrant.



**Figure 2. Policy types and relationships**

This region is the classic notion of immediate “deterrence.” The far-upper-left portion of the quadrant is the extreme portion of deterrence when “mutually assured destruction” notions exist, and we will look at that portion in greater detail later. For now, we will refer to the deterrence region as Colin Gray describes it: “In its immediate form, deterrence is always specific. It is about persuading a particular leader or leaders, at a particular time, not to take particular actions. The details will be all important, not be marginal.”<sup>15</sup> This

describes the two factors in play in the policy toward a negative purpose, namely the fixed “if . . . then” policy dealing with an adversary nation-state. It features the element of predictable automaticity. The adversary can reliably expect if it performs the act, then it “would be assumed to have [its] address on it. The United States would then return postage. Automaticity of this kind concentrates the mind.”<sup>16</sup>

The next region is the upper-right quadrant, where fixed policy is applied to allied or friendly nation-states. This region characterizes formal treaty agreements and mutual security arrangements of a specific nature, much like the North Atlantic Treaty Organization (NATO) treaty features a signatory agreement to go to war on another nation’s behalf. We can refer to this region of the framework as policy of “insurance,” as it is a stronger form of policy that insures some action on some occasion in the form of “if . . . then.” These arrangements are formed explicitly on the basis of the perceived value of policy’s purpose on our side primarily and potentially on a multilateral basis if other nation-states share a mutual valuation of the purpose.

The lower-right region of the framework is the flexible policy treatment of allied or friendly nation-states. This type of policy is commonly referred to as “assurance,” where the United States presents some nonspecific form of support by agreement or expediency. As an example, consider times when the United States stations military forces in a foreign country at the invitation of the host without an explicit security agreement.<sup>17</sup> The United States is not bound by treaty to act in an “if . . . then” fashion but assures the ally and/or friends in the region with the presence. Obviously, assurance policy can exist without the physical presence of forces and even includes weapons research and development of small forms of shared economic investment at the lower extremes of the region. The flexible property of the policy suggests some value to the purpose worthy only of an “if . . . maybe” association with our willingness to act on another’s behalf.

The final region is the lower-left portion of the framework that characterizes flexible policy toward adversaries or enemy nation-states. We will call this area “dissuasion” policy, denoting the original meaning coined for use in international influence theory minus the certainty of any overt threat communicated in policy statements.<sup>18</sup> It is important to note here the distinction between *deterrence* as a policy and the “deterrent effect” in which a variety of actions result. For our purposes, *deterrence* refers to Schelling’s policy concept of an overt communicated threat with requisite

credibility, capability, and rationality. The dissuasion term refers to the notion of preventing unfavorable adversary actions (the deterrent effect) through a variety of methods unguided by an overt deterrence policy. This allows for a distinction in the level of certainty between the fixed and flexible properties of policy. Dissuasion in this sense includes both the classical notions of “general deterrence” as well as dissuasive moves as described in US defense strategies such as arms development and capability deployment. As a whole, it constitutes the associative effect of any potentially threatening gesture that suggests an “if . . . maybe” potential counter to an adversary nation. As Colin Gray describes dissuasion,

Don't discount general deterrence, or dissuasion . . . the effect upon behavior, and upon the norms that help shape behavior, of perceptions of US military power and of the likelihood that it would be employed. Possession of a very powerful military machine, and a solid reputation for being willing to use it, casts a shadow or shines a light—pick your preferred metaphor—in many corners of the world. That shadow, or light, may have a distinct deterrent effect, even in the absence of explicit American efforts to deter.<sup>19</sup>

The distinction should be noted here between the fixed and flexible qualities of policy. Since policy derives its force by the value placed on the purpose, the form policy takes should reflect the relative value of the purpose. The difference is reflected in the certainty of action against the negative ends. In the case of dissuasion, the value of the purpose does not warrant the explicit efforts to deter in a binding deterministic policy. The policy therefore presents the possibility of US action, however slight, with the ways and means supporting it. However, the contrast between these two forms with respect to commitment also tends to affect the policy options for branches and sequels. Fixed policy choices are commitments to action, are subject to tests of will and bluffing, and clearly reduce a policy maker's flexibility for future action. Likewise, associative policy choices keep more options available for follow-on action. It is important to note this relationship, especially when the military instrument is committed to policy's objective. Without careful consideration of the properties prior to enacting policy, events can easily result in misapplication of the military instrument or artificial limits on military capabilities. The strategic context will determine which form is better suited to attain policy's purpose. Perhaps the most sophisticated example of these elements working successfully in concert is the Berlin airlift, where these policy types simultaneously dissuaded, deterred, assured, and insured the relevant actors in the theater

and around the world. The relationship between the elements plays an important policy role discussed later in this article, but at this point it is vital to simply recognize that a distinction exists between the “if . . . then” effects of deterrence policy and the “if . . . maybe” effects of dissuasion policy.

### **The Intersection**

We have defined the regions of the policy quadrant framework and now turn our attention to certain relationships between the regions and the effects of policy in one region upon another. As previously mentioned, there exists an interplay of action between these quadrants, either intentionally or coincidentally. A fundamental example of this is the Cold War relationship between the mutually assured destruction–flavored nuclear deterrence and the insurance-oriented NATO treaty. This protected central Europe with a design offering insurance to allied European nations through an agreement interpreting an attack on any member as an attack on all members. The deterrence counterbalance to this NATO insurance was the unambiguous threat of massive retaliation with nuclear weapons against the Soviet Union in the case of a first strike. The “if . . . then” nature of these two policies coincided with the desired positive and negative objects. The United States held the positive purpose of maintaining a free Europe alongside the negative purpose of preventing Soviet nuclear attack. The question of if these policies had corresponding assurance and dissuasion effects is difficult to prove or disprove.

As Colin Gray asserts, “Dissuasion is at work when a political leader rules out an exciting course of action from serious policy consideration because of the fear that it would trigger an American response. . . . Although common sense, logic, and historical experience all point to the significance of this deterrent phenomenon, it is utterly beyond research.”<sup>20</sup> The same can be said of the assurance question when a political leader ruled “in” options of cooperation and mutual interest with the United States. But it seems safe to assume that the insurance and dissuasion policies of the Cold War did not serve in a policy vacuum; other nations had to take heed of how their policy choices would impact the order of the bipolar world, to their benefit or detriment. These effects of second-order nature are open to debate, but the clear relationship is the necessary balance between adversaries and allies in the deterrence and insurance policies. The nature of that balance becomes more complex and challenging as the area

in question is closer to the intersection of the lines inside the quadrant. This is the region most likely to challenge policy makers in the future.

The challenges of policy and purpose are simpler at the extreme corners of the diagram. Questions of existential threat from a mortal enemy, a mortal enemy that poses no threat to anything of value, a friend who is completely vested in mutual interests, or an actor that is a friend though no common interests exist—these are cases that represent the least sophisticated of all policy conditions. On the other hand, the intersection of the elements offers the most challenging policy conditions. Enemies and friends are lukewarm, and loyalties shift easily; threats are moderate or only punctuated by existential-level threats; and allies share a modicum of interests and cooperative motivation. Current and potential policy conditions are closer to the intersection than the bipolar world of Cold War conditions. This is the area in which we must become comfortable and where the Air Force's inherently flexible nature is vital. It is the realm where challenges thrive as the value to our national interests rises to a degree that motivates our involvement but the value is insufficient to warrant our exercise of all the ways and means available to us. The conditions also feature strained alliances, weakened friendships, and inconclusive diplomacy. Within this context, the military instrument must leverage limited ways and means in close concert with the other instruments of power without forsaking maintenance of a backdrop of capabilities with overwhelming potential. Successful policy and purpose achievements in this realm are the fruit of sophisticated strategists, diplomats, economists, and statesmen.

The implications for our military leaders are significant. The intellectual demands in technological advancement, interagency coordination, multinational cooperation, and nuanced public media relations will grow by orders of magnitude as conditions approach the intersection. Each theater of operations will present specific aspects of several points on this notional diagram; each policy point will have some degree of interplay on the other. Policy and purpose achievement at the extreme corners of the diagram are the work of brilliance; achievements at the intersection are the work of collaborative genius. This is relevance's price of admission in the foreseeable future of our nation's military instrument. The ultimate goal is to leverage military capabilities in cooperative fashion to maximize legitimacy and control to the degree necessary for achieving the purpose of national policy.

## **Policy and Purpose in the International System**

If the conditions were not complicated enough at the intersection of our diagram, then the interplay of subnational actors within the nation-state order serves to further complicate. For the purposes of this examination, we will limit this term to a subset of the subnational agency. We do not refer to nongovernmental organizations or transnational bodies of diplomacy and economics. We will consider almost exclusively the groups that present proximate challenges to the military instrument in policy as purveyors of destruction and national anxiety. These are the subnational actors we commonly refer to as terrorist or extremist groups.

The question of how to deter extremist subnational actors has been addressed in recent works that present well-reasoned and elegant strategic thinking in fashion that ranks with Galula.<sup>21</sup> Other works focus on the form of warfare termed “irregular” in contemporary dialogue and illuminate the subject of strong states contending against weaker adversaries, including subnational actors.<sup>22</sup> It seems clear that no consideration of policy and purpose can be relevant without accounting for the interplay of subnational actors within the international system. However, the framework we have considered to this point deals only with how policy relates to nation-states. We must consider how effectively policy can achieve objects associated with subnational actors.

## **Deterrence and the Subnational Actor**

The classic notions of policy deal primarily with nation-state rational actors. Contemporary issues demand a method of addressing subnational actors in the exercise of policy—no small feat in statecraft. Subnational actors now threaten the relevance of our contemporary nation-state system. It may turn out that the nation-state system is destined to go the same way as the medieval city-state system did long ago, but until such a time arrives we must assume the purpose of future policy will be to secure the requisite objects for preservation of a stable international system. Deterrence policy of the Cold War served the same purpose seeking to secure the negative purpose of preventing mutually assured destruction of nation-states within a bipolar context.

Deterrence policy in the future must continue to achieve that negative purpose, though apparently on a smaller scale in this modern, multipolar context. However, it must also achieve the requisite objects for preventing

mutually assured chaos where subnational actors significantly damage or displace the international order with weapons of mass destruction (WMD). We choose the “mutually” moniker, recognizing that some nation-states (a milieu of rogue, failed, or phantom states) cooperate with subnational actors for some duration in pursuit of perceived common interests. Taking a longer-run view, however, opens the mind to the temporary nature of these shared interests, and the fact emerges that the ideologies that compel many subnational actors with a willingness to use WMD can conceivably lead those same actors to turn on their national sponsors at some point in the future. It is impossible to know with any certainty if this is the case or not, but the implication for future policy seems clear. In attracting nation-states to cooperate and coexist with us, we must present the possibilities of a better state of peace than the alternatives. For those nations that do not accept, we must carefully craft policies to deter and dissuade their collaborative efforts with subnational actors that threaten a stable international system. In sum, the purpose of our policy remains unchanged, the objects are suitably similar though different in number and degree, and the number of relevant actors in the game is increasing.

These elements combine in various contexts to dictate their own form of policy requirement, and each friend or adversary demands its own carefully crafted policy of a type designed for the particular context of national fear, honor, and interests. The positive and negative objects create a dynamic environment in which each act supporting policy design in one aspect may also create a concurrent effect in the other. Astute theorists have previously observed that “coercing powers must also recognize when it is appropriate not to use an instrument . . . an instrument can fail, and it can also backfire . . . the failure of an instrument in one instance can undermine the credibility [in another].”<sup>23</sup> This dynamic interplay suggests that no act of policy to achieve the negative purpose fails to affect the positive purpose, and vice versa, in varying degrees. This interplay is part of what makes coercion so complex; every act taken to enhance our own security paradoxically decreases an adversary nation’s security, and every act bears a potential for catastrophic outcomes. This in turn impacts the relevant threat potential of subnational actors. While it may seem unlikely that a policy our nation considers rational could succeed against an actor we deem as irrational, the complex nature of these actors does offer some promising potential for success.

Subnational actors can best be deterred in one sense but not in another. They can be deterred from acting outside the economy of policy with a fixed policy resembling “if you leave this system and act outside of it, then we will seek to deny you the means to do so and to constrict your influence.” This type of policy is often tangentially referenced with a metaphor of draining the swamp. The ability to do so depends upon manipulating legitimacy and control in all four regions of the policy quadrant for insurance and assurance of cooperative nation-states to join the effort as well as dissuasion and deterrence of uncooperative nations from supporting subnational actors. This also suggests a need to offer legitimate courses of redress for subnational interests within the nation-state system in addition to building partner capacity to deal with subnational actors who resist. A successful deterrence strategy should address each of these elements in a carefully orchestrated effort to deter subnational actors from willfully acting outside of the international system.

Subnational actors cannot be deterred as though they were national actors playing inside the international system. These groups act subnationally in order to divest themselves of the obligations that come with legitimacy and sometimes seek to exact control based on a reward system that includes the afterlife. This is what we mean when we refer to these groups as extremist or irrational. Rationality in the international system is based on a this-life reward system. For example, when Hamas acted subnationally against Israel, it did so without the moral, legal, or humanitarian obligations of a nation-state and used tactics like suicide bombing that leveraged rewards in the afterlife for destructive control effects in the present. Death and destruction are viewed as rewards in and of themselves; destroying such actors rewards and legitimizes them (in their own system). However, once Hamas leaders were elected to national office, they crossed a line; they incurred the obligations that come with nation-state status. Ultimately, these obligations erode legitimacy quickly when afterlife rewards are included in national policy. The Revolutionary Armed Forces of Colombia–People’s Army (FARC) is another example of this principle without the afterlife reward system. The FARC struggled with the obligations of legitimacy as the organization achieved territorial gains and had to meet the peoples’ needs in addition to their criminal pursuits. This phenomenon should be viewed as a positive motive for bringing subnational elements back into the economy of policy but is also evidence that extremist subnational actors cannot be deterred as though they were a nation-state.

## **So What?**

What has changed about the security environment, and how does the environment change our policy paradigm? How should we design deterrence strategies for the twenty-first century? How should we think about military capabilities in order to support national policy purposes in general? We offer that the regions of the policy quadrant in which the Cold War challenged us are represented by the extreme corners of the diagram, and the post-Cold War environment tends to offer challenges at the intersection of the quadrants—a much more complex policy proposition. We must approach deterrence not as an entity by itself, but rather as a policy component from a larger palette; assurance, dissuasion, insurance, and deterrence blend together to achieve policy's purpose. Ways and means are still important, but the proportional mix will shift based upon policy's purpose. For example, nuclear weapons remain a vital capability, but some contexts will undoubtedly require conventional means where nuclear means were once sufficient. Likewise, new contexts may emerge where nuclear capability is vital to the policy, but the policy is dissuasive rather than deterrent. Our challenge is to recommend to policy makers the proper identification and application of capabilities to support new strategies, which are relevant to the context, policy, and purpose.

The strategic environment will likely dictate policy portfolio engineering in place of traditional deterrence policy.<sup>24</sup> If the environment continues to emerge consistently with recent trends, we can expect a requirement to engineer policy that includes a mix of deterrence, dissuasion, assurance, and insurance with respect to three contexts. Major global powers, regional powers, and failing states will each demand a specific blend of these policy types in order to achieve US policy purposes. In addition, we must engineer global and regional policy portfolios designed to motivate subnational actors to work within the international system while denying them the means to act outside the system. Each of these contexts will present challenges in all four quadrants, and any successful strategy must address each quadrant's contribution to achieving the purpose.

This is where the economy of policy informs our recommendation. We must recognize the relationship between legitimacy and control, the impact they have on the number of choices available to policy makers, and the value prospect they generate. Additionally, each quadrant of this theoretical diagram presents different aspects, sources, and demands on legitimacy and control. Detailed economic analysis of these relationships

is not within the scope of this article except to note: the higher the value for policies like deterrence, the higher the required value point generated by legitimacy and control. This illustrates an important point in expressing that it is not enough for us to simply add ways and means to the mix without building legitimacy in the context. This helps explain the need for recent initiatives designed for building partner capacity and irregular warfare as well as interagency and multinational cooperation. But there is so much more to this principle; each context will present lines with differing slopes and elasticity, depending on whether the context is conventional or irregular. The important lesson across the board is the special relationship between legitimacy and control. We can build all the capabilities known to man, but their contribution to national defense diminishes rapidly if we fail to build legitimacy in a corresponding fashion. Likewise, capabilities designed to exert control will be more effective if we design, produce, and employ them with greater legitimacy.

The US Air Force is working diligently to develop game-changing war-fighting capabilities for combatant commanders in today's fight and for future challenges. Likewise, we are developing new concepts, programs, and methods for building national legitimacy in the interest of preventing wars and promoting our ability should war become unavoidable. The global vigilance, reach, and power we provide the nation will continue to be a vital contributor to national defense. Our challenge is to think about deterrence in a broader sense than the limited Cold War application, including the related policies that support deterrence. Also, we simply must expand our thinking from a purely control-oriented focus to include both legitimacy and control in every case. Think about precision weaponry, the global positioning system that guides that weaponry, the humanitarian assistance we provide, the global mobility system that delivers that assistance, and the provincial reconstruction teams we serve—these are all cases where Air Force capabilities build legitimacy through precision and reliability. The same is true of our nuclear capabilities; weapons of this kind require precision and reliability with no margin for error, and our adherence to the highest nuclear mission standards builds legitimacy. That legitimacy is fragile; we can easily lose it should we fail to perform to those exacting standards.

This is the fundamental risk and reward of deterrence in the economy of policy; conventional and nuclear capabilities that support deterrence form a double-edged sword requiring constant vigilance. These capabili-

ties contribute to purposes of the highest national value, yet negligence in safeguarding their constituent elements represents one of the most costly of national security errors because it so easily diminishes both legitimacy and control. When used appropriately, deterrence policy offers a maximum value for given investment; yet deterrence incurs the highest obligations for the service that provides the necessary capabilities. We Airmen must think of our contributions to all forms of national security policy whether in dissuasion, deterrence, assurance, or insurance; and we must likewise consider how our performance directly impacts national legitimacy and control as part of the military instrument.

The ideas presented here offer a way of thinking about policy, purpose, and the economy of deterrence. These ideas invite further study on many aspects of the elements, their interaction, and the economic relationship between them. This serves as a challenging area of research for our Air Force strategists and defense academia. We need a more comprehensive view of how deterrence works with other policy to achieve its purpose, and that view must accommodate the ever-increasing complexity of the security environment. If we do so, we will succeed in improving the rigor and relevance of our thinking and the delivery of effective national security strategies now and in the future. **SSQ**

## Notes

1. The latter two terms are used in a novel sense here with respect to policy, and we will expound on this later in the article, but consider these the soft-power attractions that go with coercion ideas of compellence and deterrence.

2. Examples of this are numerous, and we avoid acute contemporary examples as a matter of discretion, but view the Korean War (1950–53), wars in Indochina (1947–79), the Bay of Pigs invasion (April 1961), the Yom Kippur War (October 1973), and US legitimacy crises in Lebanon (October 1983), Somalia (October 1993), and those ongoing since the Iraq Survey Group Interim Report (October 2003) as candidates for consideration.

3. Leon Sloss, “The New Arms Race,” in *Contemporary Nuclear Debates: Missile Defenses, Arms Control, and Arms Races in the Twenty-First Century (Washington Quarterly Readers)*, ed. Alexander Lennon (Cambridge, MA: MIT Press, 2002), 240.

4. James Schlesinger, “The Demise of Arms Control,” in Lennon, ed., *Contemporary Nuclear Debates*, 252–55.

5. Colin S. Gray, “Irregular Warfare: One Nature, Many Characters,” *Strategic Studies Quarterly* 1, no. 2 (Winter 2007): 37.

6. Patrick M. Morgan, *Deterrence Now* (Cambridge: Cambridge University Press, 2003), 285.

7. In the case of national power, we use the term “value” not in a mathematical sense but rather as an expression of significance, utility, or importance.

8. Credit for the idea of power from the number of choices available is due to Everett C. Dolman for a compelling discussion of power in strategy in *Pure Strategy: Power and Principle in the Space and Information Age* (London: Taylor & Francis, 2007). We expand the case to include some relative value to a choice's outcome.

9. For more on sources and forms of legitimacy, see Max Weber, *The Theory of Social and Economic Organization*, trans. A. M. Henderson and Talcott Parsons (Glencoe, IL: Free Press, 1947).

10. Carl von Clausewitz, *On War*, ed. and trans. Michael Howard and Peter Paret (Princeton, NJ: Princeton University Press, 1976), 88.

11. Morgan, *Deterrence Now*, 8.

12. Abraham Kaplan, *The Conduct of Inquiry: Methodology for Behavioral Science* (San Francisco: Chandler, 1964), 28.

13. Clausewitz, *On War*, 87.

14. Thomas C. Schelling, *Arms and Influence* (New Haven, CT: Yale University Press, 1966), 70–71.

15. Colin Gray, *Maintaining Effective Deterrence* (Carlisle, PA: US Army War College, Strategic Studies Institute, 2003), 30.

16. Charles Krauthammer, "What Will Stop North Korea," *Washington Post*, 13 October 2006, A-14.

17. Any number of examples serves where US forces are permanently stationed overseas where no formal incurrence treaty exists nor is there a commitment to fight on a nearby nation's behalf.

18. J. David Singer, "Inter-Nation Influence: A Formal Model," *American Political Science Review* 57, no. 2 (June 1963): 424.

19. Gray, "Maintaining Effective Deterrence," 29.

20. Ibid.

21. Dan Green, "Winning the War against Religious Extremism," *Strategic Studies Quarterly* 2, no. 3 (Fall 2008): 120.

22. Gray, "Irregular Warfare;" and Jeffrey Record, *Beating Goliath: Why Insurgencies Win* (Dulles, VA: Potomac Books, 2007).

23. Daniel Byman and Matthew C. Waxman, *The Dynamics of Coercion: American Foreign Policy and the Limits of Military Might*, Rand Studies in Policy Analysis (Cambridge: Cambridge University Press, 2002), 124.

24. This policy portfolio engineering concept naturally occurs at the most senior levels in government, but the process will demand especially cogent military advice.