Conclusion

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The *Economic Security: Neglected Dimension of National Security?* conference explored the economic element of national power through the eyes of economists, industry, and government; expeditionary economics, energy security, the role of science, technology, research and development, and human capital. By the end of the conference, we hoped a framework would emerge that the Nation could use to develop a "grand strategy" for improving our economic viability. Systemic thinking should become the hallmark of a set of capabilities that should be used in the Executive Office of the President, perhaps in a Center for Strategic Analysis and Assessment, or within current infrastructure that already exists.

The economic element of national power is frequently neglected because the Nation does not develop grand strategy at all, which means that all of the grand strategies recommended at this conference have no means to be developed.

My involvement in this issue began about 20 years ago when, as a strategic management consultant to the private sector, I had an opportunity to do a little work with the U.S. Army War College in Carlisle, Pennsylvania. When I read the National Security Strategy for the first time, I assumed it was a subset of a larger national strategy. But I was wrong; the United States was not developing long-term, whole-of-government grand strategies.

As a strategic management professor and a systems scientist, I thought it was very odd that the private sector routinely used management tools such as forecasting, scenario-based planning, strategic visioning, political and economic risk assessments, and so on, but that our government, especially in a whole-of-government way, rarely, if ever, used such tools across the board—although sometimes, those tools were used in pockets, in specific agencies or departments, like the Intelligence Community, the State Department, the Department of Defense, or the Services.

What mechanisms should the government develop to improve the Nation's ability to plan in a whole-of-government way for a future that

will be very different from its past and that needs nonlinear systemic approaches to problem-solving using both analysis and synthesis?

To be successful in addressing a complex system, we need to integrate all major elements of national power: diplomatic, informational, military, economic, and so on. When successfully combined, our vitality as a nation is ensured, and our ability to encourage positive change throughout the globe is enhanced.

As a complex adaptive system, the future national security system will need to possess certain inherent qualities that will be critical to success. It must:

- share information and collaborate horizontally
- accommodate unanticipated needs and partnerships
- ensure agility in the face of uncertainty
- incorporate ad hoc structures and processes
- maintain a long-term view.

Because we are talking about complex adaptive systems, it is difficult to separate geopolitical, social, and economic phenomena. We tend to see all these elements interacting as a system of systems. In fact, in most instances, we are viewing complex systems of complex systems, and that is the challenge we all face.

Globalization has resulted in a world that is increasingly interconnected and interdependent. Readily available technology, environmental degradation, global capital market collapses, transnational terror, global disease, cyber attacks, and a host of other concerns have added complexity to the national security landscape. This environment will demand the application of a wide range of traditional and innovative strategies and tactics to counter threats and take advantage of opportunities.

Based upon both the realities we face today and the context emerging for tomorrow, let me make a few basic observations.

First, *the world is a system*, like a spider web. Movement or damage in one spot has the potential to be felt throughout the entire web. While the ripples in a pond may be visible closest to where the stone is thrown, the entire pond experiences some level of movement and/or impact. Global interdependence is now a reality, and national security and economy issues must always assume a global focus.

Second, *our homelands are no longer protected by distance or time.* The great oceans that buffered the United States from much of the world, for example, no longer serve as boundaries. Therefore, the distinction between foreign affairs and homeland concerns has become blurred—perhaps even nonexistent. Economic security is a merged mass of internal, external, and interdependency issues, and this has enormous consequences.

Third, *the reality of globalization demands a holistic worldview* alongside of our specific national interests. The needs and concerns of every country must be developed in concert with the welfare and security of the entire globe. To participate in globalization requires new ways of connecting to everyone else on the planet to ensure we are all secure; a rogue nation or rogue citizens can change everything in far-reaching ways.

More than 2,500 years ago, Chinese philosopher Sun Tzu said in his masterpiece, *The Art of War*, "If you know your enemy and you know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained, you will suffer a defeat. But if you know neither yourself nor the enemy, you will succumb in every battle."

What this quotation says to me in today's context is if you are in any kind of economic competition, you must be familiar with, and develop knowledge of, your competitors as well as yourself if you expect to be successful. How well have we developed relationships with all of our partners and friends to ensure we can cooperate when we have a problem anywhere on the globe? No one is big enough to truly cover the globe in terms of knowledge and/or capabilities. And think of the ramifications of this to a global economy of interdependencies.

General Dwight D. Eisenhower, as the Supreme Allied Commander in Europe in World War II, said, "The plan is nothing, planning is everything." Through the knowledge gained in the planning, we are able to more successfully enact the plan. And this is learning about the system in the Sun Tzu sense.

Thinking about the complex systems the national security community is dealing with, the physicist in me knows that understanding the characteristics of those complex systems is critical. Probably the most important characteristic we need to remember about complex

systems is that they can rarely be controlled and at best can be influenced. And we can only influence those complex systems if we understand them intimately—if we have what the great American statistician W. Edwards Deming called "profound knowledge."

In the national security community, we are always being asked to make predictions. But predictions assume theories, and theories require assumption testing to learn. The complexity sciences say that in complex systems, there are limits to what we can learn or know with any precision; we can predict with probability but not with certainty. Even in physics, the Heisenberg Uncertainty Principle tells us we may not always be able to predict everything; if we know some things, we cannot know other things. Such is the case in the national security system, including the economies that we are trying to influence.

I find it interesting that the policymakers we work for and the bureaucracies we serve are not populated with knowledgeable leaders on this particular subject. They want us to predict and control the real-world complex systems we are supporting. And, of course, we know that we cannot do that.

Working in the world of complex systems, which is the real world of national security, requires planning and learning. And the more planning and learning we do, the more successful our capabilities in foresight, designing, developing, and ultimately protecting the complex systems we need for the future.

One of the Vision Working Group findings in the Project on National Security Reform includes the need to synthesize "all-of-government" and sometimes "all-of-society" solutions to complex system issues and problems. The only successful way to do that is to be learning about the system issues—in hyper-learning modes using accelerated learning processes and coupling those with foresight tools such as the Delphi technique used in the project to "stress test" its findings to Congress. These enable the development of scenarios for planning and ultimately developing grand strategies.

We also found that the United States needs to systematically use these tools and processes to improve decisionmaking, and we found we do not have mechanisms in place for that to happen at the whole-of-government level—at the level of the President.

For that reason, we recommended the establishment of a set of capabilities in the Executive Office of the President that would be in the business of developing scenarios and grand strategies to apply lessons

learned in a world of complexities. And that requires context, analysis, and synthesis. It also requires breaking down the stovepipes of government so they can work together because the United States never seems to be ready when it needs to be. Contingency planning outside of the military is rare indeed! We need to create the mechanisms to use complex systems thinking and foresight tools in the decisionmaking processes of the executive branch of our government. And I suspect we will need to use strategic thinking if together, as a community, we hope to be successful in creating a world that is peaceful, secure, and prosperous.

There are two strategic weaknesses of the United States that regularly keep us from looking at our future in a strategic and systemic way and preparing ourselves for that future. We do not engage in strategic visioning or foresight exercises, and we do not write and/or execute grand strategies *as a nation*—and we need to do both.

First, we need to establish the planning and foresight capabilities within the interagency process that will continuously develop scenarios of the future to help senior government policymakers plan for an integrated future across the entire government spectrum, including Congress. This will probably include congressional committee reform that creates interagency mission funding and oversight mechanisms through intercommittee decisionmaking processes across jurisdictional boundaries. Systems scientists see the need to break down the barriers in the stovepipes of government from top to bottom. And finally, we need to help senior government policymakers plan for the future and the role the United States will play in it, including how we will remain strong in the George C. Marshall sense: remaining strong to maintain the peace.

As a nation, we need to become proactive in shaping the future of the world and working toward a future of increasing liberty, prosperity, justice, and peace because that is the world we want our children and grandchildren to inherit. We need to ensure we have a sound economy, or they will have no jobs.

I think that improving the foresight and planning capabilities within the Executive Office of the President will improve decisionmaking processes so that the Federal Government can be more effective in ensuring the Nation's future is better, freer, and more secure than the past. The entire world expects the United States to remain a leader. We cannot do this unless we are strong. And we cannot be strong unless we plan for and shape our future as a Nation with a sound economy.