Putting the Cart Before the Horse
Strategy and the U.S. Budgetary Process

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The American people are weary after ten years of war, and the Obama administration acknowledges its exit strategy from Afghanistan will be shaped by a more lenient assessment of the government there. Changes in strategy in the past three years have introduced thousands of additional troops and billions of additional dollars into the U.S. war effort—the result has been a precipitous expansion of the U.S. commitment to Afghanistan. In the wake of Osama bin-Laden’s death and the Obama administration’s deadline to begin withdrawing troops, the president is considering another review of U.S. operations to assess the way forward.

The problem, as recent events in Afghanistan have demonstrated, is that the U.S. government’s budget-making process can easily undermine strategy. Strategy formulation is the result of detailed planning to achieve specified objectives. Strategies take time to mature and achieve results, but some leaders use the budget, which functions on a much shorter timeline, to manipulate, shift, or expand U.S. strategic priorities. Instead of working within an agreed-upon strategic framework and supporting it, the annual budget cycle encourages policymakers and program managers to adopt a myopic perspective that focuses on immediate needs. For example, some policymakers use the budget cycle to support programs beneficial to their constituents, and some program managers use it to push for the expansion or continuation of programs they control. Both actions threaten the effectiveness of U.S. operations because they confuse short-term needs with long-range requirements. Government agencies and members of Congress can significantly influence U.S. military strategy in Afghanistan by pursuing personal agendas without understanding the implications their actions have on the war effort.

If the budget is being used to influence strategy, have we placed the cart before the horse? This article examines the strategy-making process, how leaders prioritize efforts in a constrained budget environment, and the effects of the annual budget cycle on the U.S. strategy in Afghanistan. In the end, I propose some new solutions to solve problems that cut across many agencies and aspects of our federal government.
Strategy in General

Effective strategies are long-term plans that align objectives with resources. They are generally broad in scope and mature slowly. In short, leaders typically must wait years before they see substantive results. Ideally, leaders match objectives with a variety of ways (methods) and means (resources) to accommodate political, resource, and other constraints. As war strategy analyst Harry Yarger notes, “Strategy is all about how (way or concept) leadership will use the power (means or resources) available to the state to exercise control over sets of circumstances and geographic locations to achieve objectives (ends) that support state interests.”

When theorists write about strategy, they sometimes fail to consider the impact of fiscal constraints. However, the realization that not all priorities will be funded is critical to strategy development, especially when budgets are tight. Leaders must make compromises and trade-offs. Thus, strategic priorities focus the efforts of the U.S. defense establishment. One of the purposes of the Department of Defense’s (DOD’s) Quadrennial Defense Review is to prioritize objectives, and in so doing, to guide the department as it subsequently works to fund them through the budget-making process.

Similarly, the National Security Strategy lays out the president’s priorities, which in turn should guide the allocation of the budget. Unfortunately, the government cannot fund all activities to desired levels. Therefore, strategy, as codified in the aforementioned documents, serves to focus our nation’s efforts, both for defense and national security as a whole, and identify those areas deemed most critical for funding by our nation’s leadership.

Once the leaders set these priorities, policymakers must formulate a budget to link ends, ways, and means. They make trade-offs as they marry resources (money) to the most critical national strategic priorities. Circumstances may dictate that the government forgo funding for low priority objectives due to fiscal or manpower constraints. Policymakers must assess the risks associated with such actions. The budget process can be highly contentious, and the system works as planned so long as programs that support critical strategic objectives are funded in accordance with their priority status. However, it is rare, especially in government, for matters such as this to go as intended.

The Budget-Strategy Disconnect

There are two main reasons for the disconnect between the budget cycle and strategy:

**Time horizons.** First, the budget cycle and strategy-making process operate on different time horizons. Budgets are formulated annually and forecast one year in advance, while strategies look three, four, or five years into the future. Consequently, the budget reflects shifting priorities both domestic and international, while changes in strategy depend on a long, time-consuming strategy review process. Simply put, strategies are like aircraft carriers—they take a great deal of time to change direction, while budgets are like speed boats—highly maneuverable and able to change course swiftly.

**Number of stakeholders.** Second, the number of players who influence the budget is huge when compared to those who influence strategy. Budget formulation is a collaborative effort that applies a “whole-of-government” approach. Program managers from various executive agencies provide input and passionately fight for their programs’ survival, while legislators in Congress, along with their staffers, work to support projects they believe are beneficial (both to the war effort and their constituencies). By contrast, strategy development involves only a small group of well-placed elites. It is an isolated affair involving the leadership of the nation.

In their classic review of the implementation of federal work programs in Oakland during the 1970s, Jeffrey Pressman and Aaron Wildavsky commented on something they called the complexity of joint
action. Essentially, they found agreement was more difficult (and less likely) when more participants and decision points were added to a particular scenario. They found a “multiplicity of participants and perspectives combined to produce a formidable obstacle course for the program.” A large number of well-placed program managers and policymakers able to influence the budget process means more hands are in the cookie jar. Besides diluting individual responsibility, the large number of actors involved dramatically decreases the likelihood of achieving strategic objectives. The impact on strategic priorities can be drastic, especially if lawmakers make decisions along partisan lines, are unsure the direction strategy is intended to take, or fall victim to mission creep. Strong leadership is required to maintain strategic focus to the ultimate objective.

As it stands, members of Congress, their staffs, and bureaucrats have the power to dictate de facto strategy through the budget-making process. Nowhere has the problem been more acute than with the U.S. strategy in Afghanistan.

The Budget as Cause—Strategic Drift in Afghanistan

The war in Afghanistan is about to enter its 11th year, and the fight today is a far cry from the one I encountered as a young platoon leader in 2002. Back then, roughly 5,000 troops were assigned to Operation Enduring Freedom in Afghanistan. After the Bush administration’s period of strategic drift (due mostly to the tough fight U.S. forces were engaged with in Iraq), additional troops were assigned to respond to the increased aggressiveness of Al-Qaeda and the declining security situation. Today, there are over 100,000 U.S. military personnel in country. The huge troop commitment demonstrates a U.S. shift in priorities (from Iraq to Afghanistan). With the expansion of the war effort, it has become more difficult than ever to maintain strategic focus.

Program managers. Program managers are able to influence strategy through the annual budget request to Congress, and the problem this creates is rampant throughout government. The managers
fight tooth and nail to adopt new programs or defend old ones (especially those threatened with deletion); once the budget is approved, they begin the process anew for the next cycle. The managers have become so engrossed in their particular programs that they have forgotten the actual purpose for the United States being in Afghanistan—to defeat Al-Qaeda and prevent its return to Afghanistan and Pakistan. In championing their causes so vociferously, program managers have lost sight of the core U.S. goal and unwittingly contributed to the expansion of U.S. strategic objectives to include nation building.

The danger occurs when program managers, though they have the best of intentions, impact strategy through passionate advocacy. Within the State Department, program officers in the Bureau of International Narcotics and Law Enforcement Affairs fit this model. The problem is not that they are bad Americans—far from it. They are committed patriots who wholeheartedly support the Obama administration’s objective “to disrupt, dismantle, and defeat Al-Qaeda and its safe havens in Pakistan, and to prevent their return to Pakistan or Afghanistan.” The problem is they have unwittingly become victims of their own obsession. Some examples will help explain.

Corrections programs in Afghanistan started in 2005 as a small affair and have since mushroomed into a leviathan. Three years ago, the budget request for corrections programs was $19 million. Program requests have since increased sharply to $80 million for fiscal year (FY) 2011. In 2009, the United States demonstrated its commitment to corrections in Afghanistan with the unveiling of a $60 million detention facility in Parwan. Additionally, it solicited requests for proposals from between $15 to $20 million to expand the prison at Pol-e-Charki in Kabul. Specifically, the money was to address the most critical infrastructure needs related to external security, internal prison management, and minimum international standards for the health and well-being of inmates. The mere fact that the United States is engaged in such activities shows the extent of strategic drift in Afghanistan. Moreover, escalation of funding over the last several years reinforces the point. While most of the evidence is anecdotal and difficult to verify, escalation in the program is not attributable to a deteriorating security situation but to program managers seeking new ways to expand programs on the ground. They have worked hard to support the war effort. Unfortunately, they have moved beyond the scope of U.S. objectives.

The United States provided $12.1 million to improve legal services in Afghanistan in 2010. Like corrections, this program started out small in 2003 with the goal to expand and improve legal services to the poor and disempowered, while increasing public awareness of legal issues, rights, and services. The original intent was admirable, but today the program requires building numerous field offices to “expand the reach of its activities to ensure that Afghans have access to legal representation in every province of the country.” Such programs, while nice to have, are not in keeping with our core goal in Afghanistan. Circumstantial evidence indicates program managers consistently seek new ways to expand their programs beyond the scope of their original purpose. They played a vital role in the expansion of justice programs to their current levels because it was in their interest to see their programs continued or expanded. It was their job to justify the value of particular programs to agency leaders and members of Congress. However, programs like the ones just listed are beyond the scope of our mission in Afghanistan. Neither the construction of prisons nor the improvement of legal services supports our core goal—to disrupt, dismantle, and defeat Al-Qaeda.

The closest plausible link is that they support the nested objective to promote “a more capable, accountable, and effective government in Afghanistan that serves the Afghan people and can eventually function, especially regarding internal security, with limited international support.” With such an indirect relationship, it is easy to make the argument that virtually any program, especially one that entails large expenditures, enhances the capacity of the host-nation government. Admittedly, these
programs demonstrate U.S. resolve and support counterinsurgency (COIN) efforts; however, the fact that U.S. soldiers operate the prisons and U.S. contractors construct the facilities undermines any claim that the mission improves the capacity of the government of Afghanistan—especially since Afghans are ill-equipped to take responsibility for such facilities upon our departure. United States support for Afghan justice programs provides clear evidence that it is engaged in nation building.

Experience has demonstrated how influential program managers can be during the budget formulation process. Ultimately, a lack of responsible oversight by senior leaders in Washington is to blame for this, but the problem is rampant, and the Department of Defense is not exempt.

An old adage says that when everything is a priority, nothing is a priority. This is the problem DOD faces with the recent expansion of funding for COIN, counterterrorism, and stabilization operations, despite the establishment of priorities in the Quadrennial Defense Review. It seems likely that program managers played a key role in securing support for their programs in another staggering large DOD budget. Despite his unqualified support for multiple defense missions, even then Secretary of Defense Gates acknowledged the problem, disparaging it as “math, not strategy.” Gordon Adams adds, “This unlimited agenda of missions does not constitute a strategy. It is a grocery list that justifies ever-expanding, global U.S. military engagement, and of course, significantly more resources than the country can afford.” Program managers have the ability to influence our strategy in Afghanistan through the budget process. Unless we provide greater oversight and nest programs inside strategic goals, the aforementioned problems will continue.

Poor management practices. The burden does not lie solely with program managers. We can attribute many of the poor management practices to the size of the cadre of senior managers within our government. The sheer size of the U.S. government bureaucracy creates opportunities for managers to claim plausible deniability or even ignorance about decisions made by their subordinates. Put another way, managers are not asking the tough questions to determine why certain programs are in budget requests. The nature of our bureaucracy promotes fragmented decision making which makes one wonder whether future budget requests may include funding for the construction of medical schools in Afghanistan with taxpayer dollars. Is this really something the U.S. government should be doing? The fact that bureaucrats believe we should reveals the extent to which mission creep has taken hold and perverted our strategy in Afghanistan.

The Role of Congress

Legislators and their staffs can affect strategy in a similar manner. Congressional representatives depend on the support of their constituents, therefore success depends on tangible benefits for voters. The result is a myopic perspective on the part of Congress, and earmarks are a natural corollary to this. (They provide immediate visible benefits.) Put another way, Congress has adopted a short-term outlook at the expense of the long-term strategy. Programs that promote jobs locally may be good for that congressional district, but do they support the strategic objectives set forth by the president and the National Security Council? In most cases, the answer is a resounding no. Furthermore, they compromise the credibility of Congress, the Department of Defense, and the strategy itself.

Numerous instances of congressional largesse are politically troublesome. For example, in FY 2005, the Consolidated Appropriations Act included $50 million in earmarks for programs that directly addressed the needs of Afghan women and girls. Despite the obvious benefit of such programs to the people (especially women) of Afghanistan, like the justice programs, they have no direct relationship with our core goal to disrupt, dismantle, and defeat Al-Qaeda and prevent its return. Using a very broad definition of the objective, one could argue that such programs do support the strategy, but such oblique support is tantamount to irrelevance. In the current context, women’s programs do not help us to disrupt, dismantle, and defeat Al-Qaeda; therefore, we should not be spending taxpayer dollars in support of them. Here again, the budget process provides an opening for individuals to influence U.S. strategy indirectly.

Problems with congressional appropriations are not isolated to the State Department. In fact, Section 9012 of the 2012 Defense Appropriations Bill provides the Department of Defense $150 million to operate a Task Force for Business and Stability
Operations in Afghanistan. Specifically, Section 9012 provides funds from overseas contingency operations to the Secretary of Defense to “carry out projects in fiscal year 2012 to assist the commander of the United States Central Command in developing a link between United States military operations in Afghanistan under Operation Enduring Freedom and the economic elements of United States national power.” Thus, it seems the war in Afghanistan has become an economic opportunity for U.S. businesses. For one reason or another, one or several congressional representatives likely included the task force in order to benefit local businesses from their districts. Such support does not come without a cost. It takes money away from critical activities (e.g., police training) essential for success in Afghanistan. Again, we see how the budget-making process is used to expand the scope of operations to the detriment of the strategic objectives of our mission in Afghanistan.

On a different level, earmarks undermine DOD’s ability to achieve its goals—a critical problem when the United States is engaged in two wars simultaneously. Earmarks create strategic drift and compromise support for long-term strategic objectives. For example, in 2007 the DOD Inspector General identified 2,587 earmarks (each less than $15 million in cost) worth a combined total of $5.87 billion. Most of the earmarks concerned non-Afghan programs and at least five did not support core DOD goals.

This information should give us pause. It shows how funding can be dictated through mark-ups of legislation, with little-to-no concern for strategic priorities. As noted earlier, earmarks are enticing for congressional leaders because they provide jobs in local districts. However, they also produce a slippery slope that could lead to a complete loss of confidence in the Department of Defense.

Earmarks in the defense budget threaten congressional credibility as well. Earmarks are essentially legislative provisions that serve personal interests. They draw money away from real priorities—such as the war in Afghanistan—which makes them even more disturbing. Earmarks are a surreptitious way to fund projects that benefit constituents of a particular district (and its associated members of Congress). They undermine the credibility of Congress because they are a clear example of the abuse of power by congressional
leaders. In the end, program managers, legislative staffers, and members of congress themselves are responsible for our successes and failures in Afghanistan. They must recognize the role they play as leaders, see the flaws in the arrangement, and make a deliberate choice not to exploit an imperfect system.

**Putting Things Back in Order**

Although it will not be easy and will probably require multiple iterations before we finally get it right, there are actions that we can take to effectively tie the budget to strategy and thus prevent bureaucrats from unwittingly compromising strategic objectives.

First, we can vet inputs from program managers before including them in any formal budget request. To that end, agency managers and senior leaders must provide responsible oversight for budget requests before submitting them to the Office of Management and Budget and Congress. Someone has to serve as the “honest broker,” making tough decisions to prevent the adoption of programs that do not support strategic objectives.

Second, we must hold members of Congress and their staffs more accountable by compelling them to tie earmarks in budget requests to the strategic objectives they support. For example, we could tie an earmark to fund an ammunition factory to a strategic objective in Afghanistan or some other core DOD goal.

Third, each agency could have programs that support their portion of a particular strategy listed as separate line items within its portion of the budget. Like earmarks, the justification for inclusion of programs in the budget should be that it supports some overarching strategic objective. Essentially, justification for programs should explicitly state what key goal each particular program supports, similar to the way the military links specific missions with lines of operations. The benefits would be twofold: they would enable transparency and they would serve as a check-and-balance system because justification for the line item would have to pass the common sense test. Leaders would be more accountable because, along with earmarks, individual programs in the annual budget request would relate to strategic objectives, thus making it more difficult to disguise funding from the American people.

Finally, a single department should manage long-range plans, especially war plans, with funding provided from all players to a single agency for management purposes. Obviously, investing so much authority in a single organization would require congressional support. The ideal candidate to bear the burden for overseas contingency operations is the Department of Defense, for it is already responsible for the nation’s defense. Letters of agreement between agencies should suffice (at least initially) to transfer funding, and the process will only get better over time. We will have to develop and streamline the process to gain efficiencies, but the potential benefits surely justify the effort.

**Conclusion**

In the end, we must decide if the budget supports the strategy or if the strategy is simply a *raison d’être* for an ever-expanding budget. At present, it appears the budget is being used to influence strategy, so it seems we have put the cart before the horse.

Strategy development and implementation is broken in the United States. Too many participants have opportunities to influence the process. Sometimes, they do so unwittingly, based on blind commitment to the cause. At other times, they willfully exploit the process to serve selfish ends. Either way, the key to solving the problem will be “honest brokers” making the tough decisions necessary to keep the country focused on its strategic goals. We can do better, and this paper aims to better integrate the strategy and budget-making processes.

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3. Jeffrey Pressman and Aaron Wildavsky, *Implementation* (Berkeley: University of California Press, 1973), 102-10. The authors traced the path of decisions and clearance points in the EDA public works program and discovered more participants and decisions resulted in a decreased likelihood of success.
4. Ibid., 102.


9. Further, the report notes a key objective for INL in Afghanistan is to “help rebuild a safe, secure, and humane Afghan corrections system that meets international standards,” INL Program and Budget Guide, 129.


12. Ibid.


15. Gordon Adams, “Unfinished Business: Ten huge challenges Bob Gates leaves behind,” Foreign Policy, 3 June 2011, <http://www.foreignpolicy.com/articles/2011/06/03/unfinished_business?page=full> (12 July 2011). “Gates allowed ‘mission creep’ to infect the services, particularly the ground forces. Rather than use last year’s Quadrennial Defense Review to set clear mission priorities, he signed off on an expansion of defense missions, all of which were given equal priority. Counterinsurgency (COIN), nation building, counterterrorism operations, and stabilization and reconstruction are right up there with conventional deterrence, nuclear deterrence, forward presence, and humanitarian operations. They are all equal, and the stated intention is to reduce risks in all of them to as close to zero as possible.”


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