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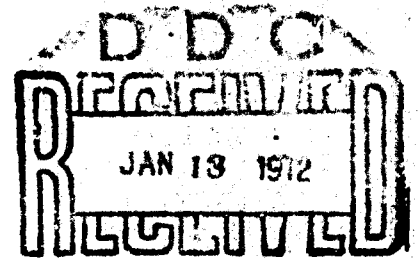
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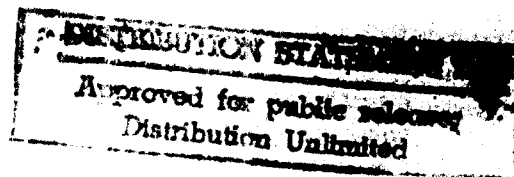
THE LOGIC OF FAILURE: A VIETNAM "LESSON"

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THE LOGIC OF FAILURE: A VIETNAM "LESSON"

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The Rand Corporation

One of the important lessons from the confused tragedy of Vietnam is to expose a major flaw in the usual theories and doctrines concerning limited war.

The flaw lies in a failure to acknowledge and elaborate a basic difference between "limited" and "total" (or, simply, less limited) war: limited war entails the appreciable chance of a "limited" outcome, or even of failure, and -- unlike the polar case of "total" war -- such an outcome may be preferable to accept even though there exist means for altering it which remain unutilized. A country may initiate and conduct a "limited" war while resolved to prefer defeat to going beyond a certain level of "cost." The costs defining this boundary may be reckoned in various units (see below), and they may be current costs or accumulated costs.

The flaw can be decomposed into four propositions.

1. To say that a war is fought for "limited" objectives (that is, objectives that are more limited than either one's own survival, or the destruction of another regime), is to say that the means (whether defined in terms of weapons, manpower, casualties, dollar

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costs, or political costs) must be accordingly and appropriately limited, as well.

2. If the means are so limited, then the outcome is necessarily uncertain, among other reasons because the intensity and effectiveness of reactions and countermoves by other participants -- allies as well as adversaries and, very likely, domestic as well as foreign constituencies -- are uncertain. Given the unpredictability of these reactions, as well as of the effectiveness of the limited means one is willing to engage, there will be uncertainty about "victory."*

3. Hence, in "limited" conflicts, "victory" is not assured, and various degrees of "failure" are possible. In such conflicts, contrary to the standard cliché, there is thus a substitute for "victory:" failure is preferable to victory achieved at excessive costs.**

4. Therefore, limited wars, and a fortiori limited forms of aid to allies, should not be undertaken without an understanding that they may not work (i.e., produce victory); that defeat is not only a real possibility, but even a legitimate one, which is not the case in "total" wars -- those in which there is no ceiling on cost ("fighting to the

*In an important sense, Vietnam is an exception to the generally inverse relationship between limitations and expected outcome. Had limits been more severe initially, incentives toward efficiency among the U.S. government agencies involved might well have led toward a more favorable outcome. (See Nathan Leites and Charles Wolf, Jr., Rebellion and Authority, 1970, pp. 90-95.) But the residual uncertainties (in particular, a substantial chance of failure) would have persisted anyhow, for reasons mentioned above.

**By "victory" and "failure" I mean, synonymously, favorable and unfavorable outcomes. More formally, "victory" means an aggregation of the arguments in the utility function that exceeds some specified threshold level, excluding the cost variables. "Failure" is defined symmetrically. Excluding the cost variables implies that one can evaluate, by a higher order utility function, whether failure is preferable to victory achieved at excessive costs.

last man" -- but perhaps not child?). "Legitimacy" here means that the objectives sought, while important, are acknowledged to be not worth more than some threshold of effort. A limited effort may be more "legitimate," even if failure results, than no effort at all; and it may be more "legitimate" than still greater efforts which would exceed the value of the objectives.

While unfamiliar to us, this is a line of reasoning which Communists understand well and have applied frequently.* It is an evident part of the "operational code," as testified by their frequent readiness to accommodate -- at least temporarily -- to failure (for example, in Malaya and the Philippines, and in Indonesia on two occasions), rather than incur the added costs of further resistance.

But then, "why get involved at all?" If "failure" is a possible, and indeed sometimes preferable, outcome in "limited" conflicts, why engage in them? Why intervene in and for "third" countries at all, if an adverse outcome may be acceptable?

The answer is that an "interest" can be important without being infinite. Like buying a house, or choosing a career or a wife, it may not be a matter of life and death, nor irrevocable. Threats to "third" countries, breaches of their borders, and a combination of externally-fueled subversion with conventional military pressure to overturn them,

*As Leites observes, the Communist code affirms that neither "feelings of distress about retreating," nor "conceptions of dignity" should be allowed to "keep the Party from executing an expedient retreat." And retreat is expedient when "the experience gained in attempting to hold an attacked position shows that not to retreat would involve greater losses." In Lenin's words, "to think we shall not be thrown back is utopian." Nathan Leites, The Operational Code of the Politburo, New York, 1951, pp. 61, 83-84.

can be of substantial concern to us. However, "substantial concern" does not necessarily imply the same intensity as that which would be warranted toward, say, an appreciable enhancement of Soviet first-strike capabilities. Even in the non-nuclear realm, it is not to disparage the concern and interest that the United States has in preventing North Vietnamese aggression throughout Indochina to say that that concern ought to be less intense than, say, the concern arising from the Japanese attack on Pearl Harbor.

In other words, interests, or concerns differ in magnitude, and also trade off against one another; some are more important than others, which may still be of appreciable importance. We may and should sometimes get involved in these other cases. There are cases that are important enough to do something about, or to try to do something about, provided the resources used are at least as limited as the interests that are involved. A policy of limited resource commitment, to achieve a limited purpose, with an uncertain prospect of success, may be preferred to doing nothing at all, if the sum of the expected values of various outcomes exceeds one's ceiling on the costs to be assumed.

The "ceiling" on costs still leaves open the preferred time profile for expending them. In principle, the cost "ceiling" is the discounted present value of expenditures made over some specified time horizon. This stock of resources can be expended quickly or, alternatively, a larger total amount, having the same present value, may be expended over a longer period (since a unit of expenditures in the future is equivalent to less than a unit expended today). Which time pattern for utilizing the same resource stock is more efficient -- a

"big-push" and "quick-out" policy, or a smaller, sustained effort -- depends on a number of factors that affect resource productivity: the expectations of the adversary, and his adaptability to large, but temporary, versus smaller, but protracted opposition; the reactions of allies; the expertise one has at the start, and one's capacity to learn.

Either expenditure policy within the constrained ceiling is based on a similar premise: there are situations in which it is purposeful and "rational" to make limited investments even while foreseeing that they may not turn out well -- situations in which that is preferable to making either no investments at all, or to going beyond an initially determined ceiling in order to redeem the investment already made, even when it seems to be going poorly. The economic analogy is, unfortunately, marred by the fact that in human affairs and foreign policy, unlike investments, the state and our "interests" in an issue may be changed by the resources we have committed to it. "Sunk costs" do matter; indeed, sometimes they matter even for "economic" decisions, too.* This is the rub. It can be mitigated by making clear, ex ante, both to ourselves and probably our allies and "nth" countries as well, that: (a) the issue, or country, or threat that we are responding to is of importance, and concern, but nonetheless to a limited extent; (b) the extent of our resource commitments will be limited by the limited, though not negligible, extent of our interests; and (c) we

* See my paper, "The Present Value of the Past," Journal of Political Economy, August/September 1970.

acknowledge and accept the prospect that a favorable outcome is uncertain, but that we're not planning to raise the commitment to make it more certain.*

Notwithstanding the acknowledged uncertainty, doing something may still be preferable to doing nothing, even if the "something" is explicitly limited. It is preferable precisely in those cases where the increased probability of success, or the increased "time" that the commitment may buy, is judged to be at least worth the resource commitment. But then failure to achieve the desired overall outcome should be recognized as part of the option chosen. That it is a part, should be acknowledged when choosing it. If, on the other hand, failure is not acceptable, then either: (a) doing nothing may be preferable to doing something "limited"; or (b) it should be made clear (to ourselves and others) that there is to be no substitute for victory; that is, the conflict or the issue in question is not in fact "limited," but limited means are being adopted initially, with a readiness assumed to mount toward larger stakes and more unlimited commitment.**

* Recent Presidential statements -- that the U.S. objective, in withdrawing from South Vietnam, is to leave that country with a "reasonable chance" of surviving without domination from the North -- are exactly in harmony with these points. But the "lesson" has been a costly one to learn.

** A major difficulty is that the importance of an issue may be dependent on the behavior and reactions of others, and hence may change, rather than being independent and fixed. Indeed, this is often the case, not excluding Vietnam. In this case, proposition (b) may not be warranted; how far it is advisable to go may, in part at least, depend on what the Soviets, or Chinese, or North Vietnamese do. As a minimum, we should be clear whether and when this situation applies. Clarity would help to avert the exaggerated rhetoric that often dichotomizes issues as "vital interests," or of no interest.

A formal treatment of the problem of choosing among three alternatives (limited action, no action, less-limited action), and their associated probabilities, is contained in an appendix to this paper, omitting the role of changing interests.

Where the issue is a limited, though not unimportant one, and where doing something is indeed preferable to doing nothing, failure may lie on the path of merit rather than being remote from it.

Acknowledging, at the outset of a limited intervention, the non-negligible possibility of failure can have several benefits, even if the acknowledgment is not made a central feature of declaratory policy. One benefit is reducing the likelihood of getting drawn into a larger (more unlimited) involvement than the value of the objective warrants: nations, like individuals, may be drawn in deeper by the striving for vindication and the preservation of values that are bound up in "sunk costs."^{*} Another advantage lies in presenting clearer incentives to an ally in whose behalf we are intervening, as well as to "nth" countries. A possibility, let alone assurance, that we might expand our involvement if need be, can reduce the incentive for the ally, whom we are trying to help, to reconcile internal differences^{**} and to do more and better, himself. It is much easier to "let George do it" if there seems to be a fair chance that he will.

Against these advantages from a declaration of explicit limitation, and an acknowledgment of the possibility of failure ab initio, there are several disadvantages: (a) the adversaries whom we are opposing will be more certain as to how far or how long we may go, and this can strengthen their planning and perseverance; and (b) the

^{*} For a formal analysis of the mechanism by which sunk costs may, and indeed often do, magnify commitments, see Wolf, op. cit., pp. 487-489.

^{**} We should also recognize that the major subordinate operating agencies on our own side will have similar internal differences to resolve.

immediate effect on an ally's morale may be worse than if no limit were placed on the extent of our involvement, and of our interest in the outcome. While self-reliance may be encouraged by specifying a limit, confidence may be discouraged. Acknowledgment of limitation, and of the admissibility of final failure, may also have a detrimental effect on the morale of U.S. operating agencies and of U.S. combatants, if any are involved. If the issue isn't important enough to require "victory," how can it be important enough to risk major institutional commitments and, in the case of combatants, worth dying for?

It is surely worth considering whether the balance of advantage is likely to lead more often to a clearer specification of limits, coupled with acknowledgment of the chance of failure, than to their avoidance. In particular cases, the balance may lie on one side or the other: for specification, or for avoidance. And decisions usually depend on particulars, rather than generalities.

In any event, assessment of the balance has been, and is likely to be, impeded by the flaw in most theories of limited war; repairing the flaw should help future assessments. What those theories have overlooked is that the possibility of failure is associated with the maintenance of firm limitations.* Where firm limitations are warranted, as they often are, the possibility of failure should be recognized.

* More precisely, the chances of failure usually vary inversely with the level of limitation.

APPENDIX: CHOOSING AMONG LIMITED AND LESS-LIMITED OPTIONS

1. Assume three options:

O_1 = limited intervention

O_2 = no action

O_3 = less-limited intervention

The decision problem is to determine when to choose O_1 over the other two options.

2. Let C_i = costs associated with each option: $C_3 \geq C_1$; $C_2 = 0$.

3. Assume that outcomes are dichotomous: success, or failure.*

V_f = "value" of failure. (Generally, V_f is a "dys"value: $V_f < 0$.)

V_s = value of success. ($V_s > 0$, $V_s \geq V_f$)

4. Let P_i = (prior) probabilities of failure ($i = 1, 2, 3$) ,

with $P_3 < P_1 < P_2$.

Then the expectations associated with the three options are,

respectively:

$$O_1 = V_f P_1 + V_s (1 - P_1) - C_1$$

$$O_2 = V_f P_2 + V_s (1 - P_2)$$

$$O_3 = V_f P_3 + V_s (1 - P_3) - C_3$$

Limited intervention, O_1 , is preferable to no action, O_2 , when:

$$(1) V_f P_1 + V_s (1 - P_1) - C_1 > V_f P_2 + V_s (1 - P_2) .$$

And limited intervention is preferable to less-limited intervention, O_3 , when:

$$(2) V_f P_1 + V_s (1 - P_1) - C_1 > V_f P_3 + V_s (1 - P_3) - C_3 .$$

* More realistically, polychotomous outcomes should be considered, with their associated values and probabilities. This would complicate the exposition presented here, without fundamentally changing it.

Simplifying (1) ,

$$(1a) \quad (P_2 - P_1)(V_s - V_f) > C_1$$

Thus, limited intervention is preferable to no action:

(a) the greater is the probability of failure associated with no action, and the smaller is that associated with limited intervention; (b) the higher the value of success and the greater the penalties of failure; and (c) the lower the costs of limited intervention.

Simplifying (2) ,

$$(2a) \quad (P_3 - P_1)(V_s - V_f) > C_1 - C_3$$

Since $P_3 < P_1$, and $C_3 > C_1$, limited intervention is preferable to "unlimited," or "less" limited, intervention: (a) the greater the probability of failure associated with less-limited intervention, and the smaller is that associated with limited intervention; (b) the lower the value of success and the smaller the penalties of failure; and (c) the lower the costs of limited intervention and the higher the costs of less-limited intervention.