Afghanistan on the Edge

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Message from the Editor

A Precarious Posture

His arms akimbo in frustration, his forehead tipped in contemplation, his stance steady despite the crumbling world at his feet, the man on the cover of this RAND Review scans the unstable Afghan capital of Kabul and gazes toward the unruly mountains beyond, as if to ask, “What have we wrought? Where have we gone wrong? Where are we headed?”

He could be speaking for the entire world, or at least for the United States, NATO, and several Central Asian countries that seemed so ready to rally around a shared commitment to redeem Afghanistan in the months following the 9/11 terrorist attacks of six years ago. Back then, swiftly upon the defeat of the Taliban, there were pledges of so much more than troops and money. There were pledges of “This time, we must not walk away.” There were pledges of “We will stay until the mission is done.”

“Has all that been forgotten?” the man appears to ponder as he peers over the precipice. “What, if anything, has been gained?”

Afghanistan today teeters on the knife-sharp edge between victory and defeat, which means that much of the world teeters on the same precarious edge. “The urban areas of the country have seen some improvement,” explains Seth Jones in our cover story, “but not the rural areas. So the population in rural areas end up giving up, and that’s most of the country.”

A political scientist who has traveled through Afghanistan seven times in the past three years, Jones delineates the types of international commitments and diplomatic interventions that have succeeded in the past and that are now required to bring stability to Afghanistan and its volatile border regions. His message, like the demeanor of the man on the cover, is firm yet anxious, as if to assert, “We should know better, so why the delay?”

—John Godges

On the Cover

Detail of an Afghan man standing in a destroyed room and looking out at Kabul, Afghanistan, on April 7, 2007.

AP IMAGES/FARZANA WAHIDY
Alcohol Advertising and Marketing Appear to Influence Early Adolescent Drinking

Children with a high exposure to alcohol advertising and marketing in the sixth grade are more likely to report drinking beer in the seventh grade than are those who report a low exposure the prior year, according to a RAND study released in the June issue of the Journal of Adolescent Health.

"Parents may think they don't have to worry about their sixth grader seeing ads for beer; underage drinking issues seem such a long way off. But sixth grade—or even before then—is the time to talk with children about alcohol marketing techniques and drinking," said Rebecca Collins, a RAND behavioral scientist and lead author of the study.

The figure shows how exposure to many forms of alcohol advertising and to alcohol television advertisements, in particular, during sixth grade is associated with youth drinking in seventh grade. The figure splits the youth into two groups: those with low and those with high exposure to alcohol advertising.

Those with high exposure to alcohol television advertisements in sixth grade are 27 percent more likely to drink in seventh grade. Those with high exposure to multiple forms of alcohol advertising in sixth grade are 53 percent more likely to drink in seventh grade.

The results indicate a similar pattern for adolescent intentions to drink. The percentage of sixth-graders who say they intend to drink is 13 percent and 36 percent higher among those with high exposure to alcohol television advertisements and to all the forms of alcohol-related marketing studied, respectively, compared with those with low exposure. Conversely, when asked if they definitely do not intend to drink, those who report more exposure are less likely to answer affirmatively than those in the low-exposure group.

"Children's exposure to alcohol advertising during early adolescence appears to influence both beer drinking and their intentions to drink a year later," said Collins.

The study confirms that alcohol television advertising, which occurs mostly during sports programming, is a key factor. But the study also shows that the 19 percent of sixth-graders who own a hat, poster, or T-shirt promoting alcohol are nearly twice as likely to drink or intend to drink as are other youngsters when they reach seventh grade.

"My guess is that many parents think it's harmless: Your kid has a Budweiser T-shirt, it's just funny," said Collins. "But it probably is a subtle communication to kids that beer drinking is cool."

The study is based on a survey of 1,786 South Dakota sixth-graders about their media use and exposure to alcohol marketing and a second survey of the same children a year later about their drinking intentions and behavior.

Previous work at RAND and elsewhere has linked alcohol marketing to drinking among older youth. The sixth-graders in this new study are the youngest group so far to show these links. Beyond television advertisements, the study asked about exposure to advertising and marketing in magazines, on radio, and through in-store displays and about whether the youth own any promotional items from alcohol beverage companies.

“Our study suggests the broader marketing techniques are important influences on kids,” said Collins.
Higher Levels of Religiosity Among People with HIV Can Help Prevent Its Spread

HIV-positive people who say religion is an important part of their lives are likely to have fewer sexual partners and to engage less frequently in high-risk sexual behavior than are other people with HIV, the virus that causes AIDS, according to a RAND study in the February 2007 issue of the Journal of Sex Research.

The study measured religiosity by asking a nationally representative sample of 1,421 people getting medical care for HIV—932 of whom reported recent sexual activity—to report how important religion was in their lives, whether they identified with a particular religious group, whether they preferred being with people of the same religion, and how often they attended religious or spiritual services.

The figure shows that the level of religiosity among sexually active people with HIV is related to whether they engage in sexually risky behaviors. For example, only about one-third of those who considered themselves highly religious said they had more than one sexual partner, compared with nearly two-thirds who did not consider themselves religious.

The study did not identify what specific component of religiosity made a difference in sexual activity. But David Kanouse, a RAND behavioral scientist and principal investigator on the project, suggested that moral beliefs and membership in a faith community may be important.

“Moral beliefs may indicate an underlying altruism and a desire to make sure no one else is infected with HIV,” he said. “Promoting these feelings could be used in HIV prevention programs to help reduce the rate of spreading HIV to others.”

Researchers examined differences by denominations and found that Catholics with HIV were less likely than other mainline Christians, non-Christians, and nonreligious people with HIV to report having unprotected sex. Catholics were also less likely to report high-risk sex than other mainline Christians and reported fewer partners than non-Christians.

There was no statistical difference between Evangelicals and Catholics in reported sexual activity. Evangelicals were as likely as Catholics to have fewer sexual partners and equally unlikely to engage in unprotected and high-risk sex.

Religion remains a dominant force in America today, but the main focus of many faith communities is sexual abstinence, rather than examining how else religious beliefs could help to prevent the spread of HIV, said lead author Frank Galvan, an assistant professor at the Charles R. Drew University of Medicine and Science in Los Angeles.

“This study suggests that there’s a role for religious institutions to play in the fight against the spread of HIV,” Galvan said. “They have these core belief systems that do have a positive impact on the lives of people who are HIV-positive and who are sexually active. Religiosity is an untapped resource in the whole struggle against HIV and AIDS and should be looked at more thoroughly.”  

“Moral beliefs may indicate an underlying altruism and a desire to make sure no one else is infected with HIV.”


NOTE: For the question regarding more than one partner, there were 932 participants in the study; for any unprotected sex, 923; and for any high-risk sex, 921.
RAND Study Informs U.S. Debate over Terrorism Risk Insurance

The U.S. Congress is wrestling with the decision of whether to extend the Terrorism Risk Insurance Act (TRIA)—legislation that was passed after 9/11 to provide a temporary federal terrorism risk insurance program. The reauthorization legislation pending a vote by the U.S. House of Representatives calls for a 15-year extension of TRIA to 2022, but the U.S. Treasury Department has recommended paring back TRIA, with an eye toward eliminating it altogether. The U.S. Senate has yet to weigh in.

The decision is fraught with difficult-to-estimate uncertainties, ranging from the frequency of terrorist attacks to the type of attacks that are likely to occur, such as nuclear, biological, chemical, or radiological (NBCR) attacks versus those using conventional weapons. But Lloyd Dixon, coprincipal investigator of a RAND study that used computer simulation to assess the performance of three policy options, has concluded that “TRIA has important positive effects on the market for terrorism insurance, particularly for attacks using conventional weapons.”

The study examined these three options: letting TRIA expire, extending it (with coverage for conventional attacks only), and expanding it (by requiring insurers to offer coverage for both conventional and NBCR attacks) without making other changes in the program. For thousands of attack scenarios involving both conventional and NBCR attacks, the study compared the policy options by assessing their performance on four measures: (1) fraction of losses for which the attacked businesses receive no compensation, (2) cost to taxpayers, (3) fraction of the insurance industry’s net worth used for payouts, and (4) costs to future insurance policyholders.

Leaving TRIA in place, the study found, would limit the fraction of uncompensated losses and usually limit the cost to taxpayers. TRIA could entail high taxpayer costs in scenarios involving the largest conventional attacks. But “the expected cost to taxpayers over all conventional attacks is actually lower with TRIA than without TRIA under a wide range of assumptions,” said coprincipal investigator Robert Lempert. Expected taxpayer cost is lower because the probability of very large conventional attacks is thought to be substantially lower than the probability of small and medium-sized attacks.

Expanding TRIA to cover NBCR attacks without making other changes in the law, such as firming up its promise that total claims payments from the government and insurers combined will not exceed $100 billion for insured losses due to a terrorist attack, would not effectively address the added risks posed by such attacks to businesses and would substantially undermine program performance for conventional attacks, the study found.

“Determining the appropriate federal role in providing terrorism insurance is complicated,” said Dixon. “Apparently straightforward changes in TRIA can have adverse consequences. Policymakers must be careful to choose an intervention that achieves the desired goals and avoids unintended consequences.”

Be Wary of Drawing Unwarranted Lessons from Iraq War, Study Warns

Although coalition forces in Operation Iraqi Freedom (OIF) were able to take down Saddam Hussein’s regime in less than three weeks with comparatively few casualties, policymakers should be cautious about what this experience implies for future conflicts, a new RAND study suggests.

Based on information derived mostly from interviews with, and interrogations of, senior Iraqi military and civilian officials, the study identified a series of factors that explain why Iraqi resistance to the coalition invasion was so weak (see the table).

Despite the rout, the study argues that U.S. policymakers should be careful not to draw unwarranted lessons from OIF, particularly the notion that high-tech weaponry and communications will inevitably enable smaller ground forces to be decisive against larger, but less high-tech, enemy forces. Policymakers should also be cautious about extrapolating operational lessons from OIF, such as whether invasions can be conducted at minimal cost in U.S. casualties in the absence of extended preparatory air campaigns.

“The extraordinary battlefield advantages that coalition forces enjoyed in Iraq during March and April 2003 may not be replicated in future conflicts,” said Stephen Hosmer, the study’s author.

Despite speculation to the contrary, Hussein did not plan for a protracted guerrilla war after an Iraqi defeat in the conventional war, the study points out. Nonetheless, Iraqi actions before and during OIF helped facilitate and shape the insurgency that followed.

<table>
<thead>
<tr>
<th>Key Factors</th>
<th>Effect</th>
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<tbody>
<tr>
<td>Saddam Hussein's strategic miscalculations</td>
<td>His beliefs (that war with the United States could be avoided and that, if it occurred, it would involve air attacks rather than a ground invasion and would end in a negotiated settlement rather than regime change) led to poor Iraqi defensive performance</td>
</tr>
<tr>
<td>Saddam Hussein's preoccupation with internal threats</td>
<td>His focus on forestalling coups and rebellions from within shifted attention away from adopting an effective defensive strategy, degraded Iraqi military leadership and battlefield decisionmaking, and prevented coordination and unified command of Iraqi forces</td>
</tr>
<tr>
<td>A poorly designed and executed Iraqi military strategy</td>
<td>The defensive scheme failed to exploit potential options for prolonging the conflict and maximizing coalition casualties</td>
</tr>
<tr>
<td>The poor motivation and morale of Iraqi troops</td>
<td>Harsh service conditions, the belief that resistance would be futile, the threat of coalition air attacks, and a lack of willingness to fight and die for Hussein led to little fighting and to massive desertions</td>
</tr>
<tr>
<td>Superior coalition military capabilities</td>
<td>Coalition ground and air forces were able to deliver accurate, lethal fire on Iraqi targets at long ranges and at night; the ability to maneuver ground forces rapidly and to sustain them over long distances further undermined the Iraqi ability to mount a coherent defense</td>
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WHEN PEOPLE THINK ABOUT the U.S. Coast Guard, most focus on its mission of saving lives and assisting mariners in distress. Such a mission might not seem essential to meeting the homeland security demands of the post–9/11 world.

But such a perception of the coast guard is inaccurate, according to Admiral Thad Allen, the service’s 23rd commandant and its highest-ranking member. He told a RAND audience that the “evolving organizational DNA” of the coast guard has made it an important player in improving homeland security. He pointed to three attributes in particular: the dual-purpose origins of the coast guard, the nature of its maritime security mission, and the painful lessons he learned about disaster preparedness and response during Hurricane Katrina and its aftermath in 2005.

**A Hybrid History**

Allen tracked the birth of the U.S. Coast Guard to 1790, when the new republic created the Revenue Cutter Service, “a fleet of small, shallow draft vessels with swivel guns that were used to intercept British smugglers who were trying to get around paying customs duties that were critical to paying off the national debt.” Ever since, the coast guard has been performing these kinds of overlapping national security and domestic police functions simultaneously.

“The coast guard is unique in being a dual-chartered service,” Allen noted. “It is a law enforcement organization with federal law enforcement authority and a member of the armed forces.” Wearing two hats, the coast guard found itself immersed in a spectrum of challenges in its early history, from enforcing the law against exporting strategic materials (in this case, live oak used to make warships) to apprehending and detaining pirates to fighting in the Seminole wars and the Civil War.

During the Cold War, the coast guard was not as relevant to national security, Allen said. But the service began to “accrete duties,” starting with the protection of fisheries, the war on drugs in the late 1970s, and the boatlifts from Cuba and Haiti in the 1980s and 1990s. “So while the Cold War was going on, the coast guard was becoming operationally, bureaucratically, and organizationally multilingual. Its evolving DNA taught the coast guard to operate within the non–department of defense world and across agencies with facility.”

In its current home within the U.S. Department of Homeland Security, “the coast guard is positioned to be a huge force multiplier,” Allen stressed, “because of its origins as a dual-chartered service.” Those origins have made it “a unique instrument of national security.”

**The Last Global Commons**

The coast guard, of course, is charged with a maritime security mission. But unlike security on land, where there are clear borders, or security in the air, where there is an air-traffic control system providing persistent surveillance, security at sea is a matter of boundless scope and reach.

“We are dealing with the last global commons,” said Allen. “We have not as a nation come to consensus on what constitutes adequate maritime security in the post–9/11 environment.”
There are no governance structures in place to provide constant awareness and watch over everything that might constitute a maritime threat. Allen gave the example of an Iranian freighter with 300 explosive tons of ammonium nitrate leaving Havana, Cuba, and moving north, off the east coast of the United States, just outside its territorial seas. “The vessel doesn’t need to talk to us if it hasn’t declared its intent to enter the United States.”

Allen also stressed that small boats under 300 gross tons, such as towboats and fishing vessels, are basically unregulated. The terrorist attack on the U.S.S. Cole in Yemen in October 2000 was the result of a suicide attack by one such small craft.

The nation has made progress in maritime security since 9/11, said Allen, by increasing the scrutiny of cargo and crew lists, imposing very strict requirements of advance notice on ships arriving in port, and inspecting cargo containers. But improving port security is not enough, he argued, and the nation cannot address the maritime threat incrementally.

“We need a comprehensive national maritime strategy for safety, security, and stewardship,” he declared. Such a strategy would include updated maritime safety laws, persistent coastal surveillance, and coordinated defense and policing capabilities from the coast guard, the defense department, and state and local governments.

**Lacking Unity of Effort**

Recalling his experience as commander of Hurricane Katrina relief efforts, Allen asserted that a lack of unity of effort plagued the nation’s response to both the hurricane and the recovery operations. He defined Katrina as a “weapon of mass effect without criminality used against the City of New Orleans. Had it been a terrorist attack, there would have been a senior law enforcement official in charge and no ambiguity about the chain of command and what needed to be done.”

Under the current approach for dealing with natural disasters, the role of the federal government is to augment the local and state governments with urban search-and-rescue teams and medical assistance. But that model presupposes a continuity of government at the state and local levels—something that was missing in the aftermath of Hurricane Katrina.

The scale and devastation of the hurricane, he argued, showed the limits of how far the country could go without unity of effort at the top and greater interagency collaboration. The organizational disunity, he suggested, led to a breakdown of command and control, a breakdown of the continuity of government, and, ultimately, a breakdown of civil society itself.

And yet these problems are not unique to this time and place. Allen read a 1906 proclamation by the mayor of San Francisco after that city’s devastating earthquake. The proclamation underscored the same breakdowns in order, including the imposition of a curfew to control looting and the authorization to shoot to kill those violating the law. As Allen wryly commented, “One wonders if we’ve advanced anywhere in the 100 years that have followed.”

To achieve unity of effort during future catastrophes, Allen reiterated, the nation needs to cultivate the kind of multilingual capabilities that now characterize the coast guard. To illustrate his point, he described a meeting he attended with his Canadian counterparts. The Canadians needed to have five separate individuals in the room—representing five separate chains of command—to cover the multiple hats he wears as commandant of the U.S. Coast Guard. “There is just no other organization like this in the world,” Allen concluded.
“I'D LIKE TO SHARE A STORY,” said Paul Koegel, associate director of RAND Health. He aimed to set the proper tone for a RAND policy forum on homelessness in Los Angeles and on the lessons the city could learn from other cities dealing with homelessness around the country.

“A woman lives in a small village by a river,” he continued, as if depicting the historical core of Los Angeles. “Every day, she goes down to the river to get water. One day, as she is drawing water from the river, she sees baskets of babies floating by. She begins trying to rescue the babies and calls to the other villagers for help. Soon, she and the other villagers are so busy taking the babies out of the river and trying to care for them that no one thinks to hike upstream to find out how the babies are getting into the river in the first place.”

With this allegory, Koegel illustrated the problem of homelessness in Los Angeles. Until recently, he explained, those who have taken it upon themselves to try to assist the city’s enormous homeless population have “simply had their hands too full to stop and consider where the homeless are coming from” and what is causing their ranks to swell. Los Angeles finds itself years behind many other U.S. cities in addressing the homelessness problem. However, the sheer magnitude of the city’s problem has captured the rest of the nation’s attention.

The purpose of the policy forum was “to hike upstream” to discover what has kept Los Angeles behind and what it must start doing to catch up. In general, the panelists agreed that the problems in Los Angeles stem not only from a housing shortage and the inability of some people to compete for a limited number of housing units, but also from the difficulties of coordinating efforts across multiple government jurisdictions and of providing the homeless with services that can help them remain in long-term housing.

Other forum participants were Suzanne Wenzel, a RAND senior behavioral scientist who specializes in research on homeless women and adolescents; Tori Osborne, a special adviser to Los Angeles Mayor Antonio Villaraigosa; and Ed Edelman, former Los Angeles city council member, retired Los Angeles County supervisor, creator of the Los Angeles Homeless Services Authority (LAHSA), and now homelessness “czar” for the City of Santa Monica.

A Frayed Social Fabric
On any given day, some 90,000 men, women, and children are homeless in Los Angeles, according to Osborne. “Los Angeles is a city with 262,000 millionaires, not counting the value of their homes. And in any given year, some 240,000 individuals cycle in and out of homelessness, living at least some time in their cars, on the street, or in a shelter, by far the largest number of any city in the nation,” she said. “Los Angeles is the nation’s homelessness capital.”

Los Angeles is also the only major city in the nation that has had no coordinated, long-term plan to address homelessness, Osborne admitted.

In the 1960s, homelessness was not a visible problem in Los Angeles. But by the mid-1970s, the number of homeless on the city’s streets had risen noticeably because of several changes in the fabric of society.

One change in urban areas such as Los Angeles was the closure or relocation of factories, resulting in the loss of thousands of manufacturing jobs for both skilled and unskilled laborers. Coupled with the loss of jobs—and especially influential in the Los Angeles area, according to Wenzel—has been the city’s notori-
ous shortage of affordable housing, worsened by the
gentrification of formerly affordable neighborhoods.  
“Homelessness is the extreme result of poverty,”  
Osborne concurred.

Another important change by the mid-1970s, not  
just in Los Angeles or California but across the country,  
according to Edelman, was the closure of state mental  
hospitals (partly based on the belief that the state did  
not have the right to institutionalize the mentally ill,  
with or without their consent, and probably used also  
as a cost-saving measure). However, no steps were taken  
in California to ensure that those released from its hos-  
pitals would receive regular medication, follow-up care,  
or assistance in finding housing or jobs.

Thus, many ended up on the street. Osborne esti-  
mated that 35 percent of the homeless people in Los  
Angeles today are mentally ill. “Homeless people need  
all the services other poor people need and usually  
more,” she said.

Wenzel reminded the audience that the public’s  
perception of the typical homeless person remains that  
of an alcoholic male. However, the face of homeles-  
ess in Los Angeles and around the  
nation has been changing over the past 20 years. By the late 1990s,  
some one-third of homeless adults  
were women, she said, and many of  
the women had young children.

Only in L.A.,  
Sadly for L.A.
Los Angeles is not the only U.S.  
city to have experienced an afford-  
able housing shortage, the loss of  
manufacturing jobs, and deinsti-  
tutionalization. The draw of the mild  
year-round climate might account  
for part of the unusually large  
homeless population in the city.  
But what truly distinguishes Los  
Angeles from other cities is its fail-  
ure to have addressed the problem  
in any concerted way, and many  
attribute this failure to the com-  
plex division of social services  
between the City and County of Los  
Angeles.
plex division of social services between the City and County of Los Angeles.

The division of responsibilities and funding for the homeless between the city and county is “the single greatest contributor to the failure of the region to address the problem effectively,” said Osborne. Historically, funds for affordable housing have flowed through the city, whereas supportive services, such as health care and job training, have been funded entirely by the county. The division spurred suits and counter-suits between the city and the county in the 1980s.

In 1993, former Los Angeles Mayor Tom Bradley helped then-supervisor Edelman create LAHSA, a joint endeavor between the city and county. However, the agency has lacked the authority to address the multiplicity of thorny issues underlying homelessness, said Edelman.

Compounding the lack of coordination, he explained, is that Los Angeles County comprises not just the City of Los Angeles but also 87 other, smaller cities, including Santa Monica and Beverly Hills, two of the nation’s wealthiest, and Compton and Wilmington, among the poorest. The county is the nation’s most populous, with more than 10 million people spread across more than 4,000 square miles.

“LAHSA could be much more than it is today, more preeminent,” said Edelman. “We need a structure to coordinate all homeless activities, and hopefully LAHSA will be given additional powers and will bring in the other cities with homeless populations to collaborate, to develop a regional approach. We’re trying to help move the collaboration we need in this region, because one government can’t do it alone.”

The Costs of Doing Nothing

Edelman quickly dispelled the notion that the failure of the county and cities to spend more money on fighting homelessness in Los Angeles is saving taxpayers money. He cited the example of one chronically homeless man, “Million-Dollar Murray,” whose unmet needs for mental health care and shelter, as itemized in a seminal New Yorker magazine article, ended up costing the city of Reno, Nevada, over $1 million.

“In addition to mental health and drug treatment services,” Edelman explained, “the homeless often incur the services of paramedics, fire and police departments, and hospital emergency rooms, not to mention city services and jail staff, all at significant cost. When the problem is viewed this way, it is easy to see that providing appropriate care would be less costly” than the current practice.

“It’s not just a compassion issue,” Edelman asserted. “It’s a dollars-and-cents issue. The public doesn’t see homelessness very often, but we’re all paying the price.”

Wenzel agreed that the need for housing is only the beginning. It is accompanied by an equally critical need for services to help people with problems such as poor education, hunger, substance abuse, sexually transmitted diseases, and mental disabilities.

Koegel and Osborne emphasized the need for “permanent supportive housing” for the homeless. Permanent supportive housing consists of long-term housing complete with staff who can guide the formerly homeless to food, physical and mental health treatment, substance abuse treatment, job training, day care, and support to help find and keep a job.

Shelters sometimes try to provide some of these services, but “where they fall short is in their very mission,” said Osborne. By definition, shelters are intended to provide not a home but a temporary place to stay. Because the stays are limited and often for emergencies, the shelters cannot address the complex long-term needs of the residents or ensure that they take their medication, stay off drugs, follow through with job training, and care for their children. “What is needed,” said Osborne, “is a fundamental paradigm shift from an emergency response and shelter mentality to permanent housing.”

Much to Learn from One Another

The panelists discussed various efforts over the past decade to address homelessness in Los Angeles. For example, some of the largest efforts have been faith based. Religious organizations run many of the area shelters and have been at the forefront of an effort to decentralize the shelters that are currently concentrated in the Skid Row area of downtown by creating shelters in each of the five supervisorial districts that make up the county.

But given the magnitude and complexity of the problem, all four panelists agreed that what is needed is a long-term consolidated effort by a coalition of
governmental, religious, business, and residential organizations, all of which have much to gain from solving the homelessness problem—and from one another’s support. In this regard, the panelists said Los Angeles could learn a lot from other U.S. cities, such as Atlanta, Cleveland, Dallas, Denver, Miami, New York City, Philadelphia, Pittsburgh, San Diego, and Seattle.

Osborne, who had visited New York City “to learn from their mistakes” as well as their successes, outlined a three-step strategy based on the New York model and since approved by the Los Angeles mayor. The strategy is to provide adequate funding and authority for LAHSA; to formulate a ten-year plan to develop permanent supportive housing, complete with a permanent funding source for the city’s affordable housing trust fund and with support from business, faith-based, and other organizations; and to build the public will needed to overcome the pervasive “not in my backyard” attitude that has helped to keep the homeless concentrated on Skid Row rather than integrated into outlying communities. Doing so will take the combined efforts of business, religious, and other groups, said Osborne. Wenzel added that this effort will also require using education and evidence-based research to fight ignorance and fear.

Edelman described another initiative borrowed from New York and launched in Santa Monica, which has a disproportionately large homeless population of its own. The initiative replaces the use of some of the local courts in areas with dense homeless populations with community courts, in which specially trained judges refer homeless offenders to treatment or hand down sentences of community service instead of jail time. “We need these courts in areas with high homeless populations,” said Edelman, “so that judges can examine the underlying issues of homeless people accused of crimes and so they can get the kind of help they need.”

Audience members offered suggestions of their own. Susan Rabinowitz, a physician who works with homeless youth, said county administrators should rethink their current policy of emancipating youth from foster care at the age of 18, since “even the most privileged 18-year-olds generally lack the inner resources to succeed on their own.”

Paul Tepper, director of the Weingart Center Association, a nonprofit consulting firm that is helping LAHSA develop its ten-year strategic plan, offered three recommendations that he said could be implemented “immediately”: create more affordable housing by rehabilitating existing structures rather than relying entirely on new construction, identify the homeless most likely to be eligible for Social Security Disability Insurance and assist them with the application process, and increase the monthly allotment of general relief funds provided by the county to homeless individuals to help them afford housing.

What is needed is a long-term consolidated effort by a coalition of governmental, religious, business, and residential organizations, all of which have much to gain from solving the homelessness problem. In this regard, Los Angeles could learn a lot from other U.S. cities.
Afghanistan on the Edge

A World at Risk of Winning the Urban Battle, Losing the Rural War, Abandoning the Regional Solution

About a year ago, Seth Jones was riding in a military convoy as it rumbled toward the U.S. Embassy in Kabul, Afghanistan. He was heartened by how much better things seemed around him in comparison with his previous trips to the city.

“There were lots of foreign cars. There were computer shops and ATM machines. There were girls shuffling to school on the sidewalks of the city. It had noticeably changed in a positive way. Just driving through the center of the city left a striking impression. It was awash in modern amenities.”

But then he heard a thunderous blast from behind. He turned and saw a fireball belching brown smoke. “It was one of the cars behind us. We were three or four cars in front. We kept going. It wasn’t clear who hit it. It was nerve-wracking.”

It was the largest suicide attack ever in Kabul to date. Just 50 yards from the landmark Massood Square that borders the main gate of the U.S. Embassy, the driver of a Toyota Surf sport utility vehicle had rammed his bomb-laden cargo into a U.S. Army Humvee on that sunlit day of September 8, 2006, killing 16 people, including two U.S. Army reservists, and wounding 29 others. The vast majority of those killed or wounded were Afghan civilians.

By John Godges

John Godges is a RAND communications analyst and editor-in-chief of RAND Review.

At the time, most of the fighting in Afghanistan was confined to the eastern and southern provinces. But the suicide attack compelled Jones to reconsider the nation’s progress.

“There were major cities, including the capital, were now targets,” he said. “There was a level of vulnerability I’d not felt before.” In many rural areas, “you knew it would be violent. But Kabul had been relatively safe. The key realization was that security, even in the capital, could not be taken for granted. Had that suicide bomber gone a little earlier, I’d be done.”

Clash of Images

Afghanistan confounds the visitor with images that could either augur better days or portend disaster, according to Jones, 34, a RAND political scientist and an adjunct professor at Georgetown University and the Naval Postgraduate School. Since the 9/11 terrorist attacks, he has analyzed the state of the insurgency and counterinsurgency in Afghanistan. He has traveled to nearly all areas of the country since 2004, meeting with villagers, city residents, police officers, local army units, intelligence officials, Afghan President Hamid Karzai, President Karzai’s national security council, leaders of nongovernmental organizations, and U.S., Canadian, and British military commanders.

“Most people who go to Afghanistan just don’t get out,” he said. “They travel in military convoys and hide in embassies.” He has made a conscious effort to talk to the locals and to blend in by growing his beard, wearing the shalwar kameez (the traditional male dress of knee-length shirt with baggy pants), and traveling with Afghans.
Since 2004, the prevailing trends in the capital have been encouraging, he said. “Kabul is modernizing in ways that it hadn’t been before. The security situation has declined there over the last year or two, but it’s entirely different than when I first visited.” Commerce flows. People go online. Children of both sexes attend school. Many women show their faces and have taken off their burqas, the outer garment worn by some women in Afghanistan that covers the entire head and body.

“Counter to that [view of progress] is flying over what used to be barren or wheat fields now awash in the beautiful reddish, maroon, and yellow colors of poppy, especially in spring before the harvest.” Poppy is the source of the global heroin trade, of revenue for the resurgent Taliban, and of corruption among warlords and even Afghan government officials. “The increase in cultivation and production of poppy is astounding,” said Jones (see Figure 1).

The most telling signs about the country are often the hardest ones to spot. “People who don’t travel outside urban areas wouldn’t see them. You see the battles going on in the rural areas, especially in the south and east, over the hearts and minds of the population.”

Home to 75 percent of the population, the rural areas are where the Taliban and al Qaeda wage their information campaigns. They tack threatening leaflets on doors, store weapons caches just outside the villages, and publicly hang tribal leaders who cooperate with the government. The cowed locals find it “acceptable” to let insurgents operate nearby. “The population in the rural areas end up giving up, and that’s most of the country,” said Jones.

“Russia controlled the cities, not the rural areas,” he recalled. “They lost. That is the challenge that faces the U.S., NATO, and the Afghan government today. It’s the fight over the hearts and minds in rural areas. The U.S., NATO, and the Afghan government are losing. Not in Kandahar City or Kabul. The cities are held by the military forces. But there is deep penetration by the Taliban in rural areas.”
Measures of Nation-Building

Jones and his RAND colleagues have estimated the amount of time, troops, and money required for successful nation-building efforts, based on historical cases. In a country such as Somalia or Afghanistan, he said, it takes “much longer than five years to be successful.” It has been nearly six years since reconstruction began in Afghanistan in late 2001, but any assessment of the nation’s progress must account for enormous internal variations.

In Afghanistan, Jones sees distinct nation-building timelines for the south, east, north, west, center, and areas in between. In the south and east, where most of the fighting has occurred, “we’re closer to years one or two than five or six.” In the north, home to the Northern Alliance that helped rout the Taliban in 2001, “we certainly would be in year five or six. The security situation is relatively benign. Reconstruction is actually possible. International organizations can take money, build infrastructure, and train staff at hospitals in the north.”

In the west, there has been faltering progress. “A year ago, the west was on par with the north. That clock’s begun to slow down a little bit” because of the spreading insurgency in areas such as Shindand in Herat Province. Likewise, the center was holding until recently. “Kabul was on track for progress until 2006. That’s slowed down, too.” He cited a May 2006 U.S. military convoy traffic accident, which killed at least one Afghan civilian and sparked mass rioting, as the turning point in the capital.

Then there are the remote villages scattered about the country. “If you were to travel from Kabul to Herat by foot, you’d see areas that haven’t been touched and have probably seen literally nobody come through. Pockets of the country where there’s been no assistance or international presence or funding at all are in year zero or have even gone back in time.”

Regarding the number of troops required for successful nation-building missions, RAND analysts have proposed a “gold standard” of 20 security personnel per 1,000 inhabitants, or 2 percent of the population. The personnel could be any combination of international troops plus local forces. Under favorable conditions, the criterion could be reduced to a minimum of 10 security forces per 1,000 residents, or 1 percent of the population.

As of a July 2007 U.S. Central Intelligence Agency estimate, Afghanistan has nearly 32 million people. Today, security forces in the country total only 143,500—including 85,000 Afghan personnel, 35,000 NATO personnel, and 23,500 U.S. personnel—amounting to less than half of 1 percent of the population. While there is no fixed formula for the number of troops required for success in any given country, the proportion of troops to population in Afghanistan has historically been among the very lowest (see Figure 2).

“The challenge is to match resources with objectives,” said Jones, “to lay out a strategy that is possible to implement. The fact is you won’t have the required number of U.S. troops unless the U.S. redeployes them from other countries, such as Iraq. That puts the U.S. in a perplexing policy position. More troops would be better. A lot more would be best.”

Best of all worlds, noted Obaid Younossi, a RAND analyst who grew up in Afghanistan, would be for an increased number of U.S. and NATO forces to focus on training and equipping even larger numbers of indigenous Afghan security forces so they could play a greater role in combating the insurgency and other criminal activities. “Afghanistan has no shortage of potential fighters,” said Younossi. “Throughout their history, Afghans have demonstrated that they are fierce protectors of their sovereignty and freedom.”

A lot more money would be best as well. Jones has written that foreign aid of $100 per capita per year would be a “minimum level for successful stability operations.” But when foreign aid to Afghanistan reached its peak in 2002 and 2003, it averaged only $57 per capita per year. To put these numbers in perspective, the comparable foreign aid figures for the relatively successful nation-building efforts of the 1990s in Kosovo and Bosnia were, respectively, $526 and $679 per capita per year (see Figure 3).

The prognosis for Afghanistan today is even worse than the diagnosis of national need would suggest, according to Jones, because the sickness now extends beyond the nation itself. “Even if you had maximum troops and maximum money at your disposal” to treat Afghanistan, “that would not get you to success,
Figure 1—Since 2001, Opium Poppy Cultivation in Afghanistan Has Bloomed More Productively Than Ever


Figure 2—Military Presence Per Capita in Afghanistan Has Not Come Close to Meeting a Standard for Success

NOTE: The ability to secure Japan with a comparatively small force relates to three factors: the willing collaboration of the Japanese power structures, the homogeneity of the population, and the unprecedented scale of Japan's defeat, culminating in the firebombing of its cities and two nuclear attacks.

Figure 3—Annual Foreign Aid to Afghanistan Has Not Met the Minimum Standard for Success of $100 Per Capita

NOTE: Reliable data were unavailable for Somalia.
“What the U.S. has done since 2001 is fight a Pakistan-Afghanistan insurgency in Afghanistan only. We could send lots of troops from Iraq to fight in Afghanistan and still not deal with the sanctuary challenge.”

because you’re talking about a larger geographical area. We are now at the point where this is a regional problem.”

The National Intelligence Estimate, written by the U.S. National Intelligence Council and constituting the most formal assessment since 9/11 of the terrorist threats facing the United States, concluded in July that the strategy for fighting al Qaeda across the Afghan border in Pakistan had largely failed. The report found that al Qaeda has strengthened significantly over the past two years, primarily because of the safe haven in which it has been operating in Pakistan.

Given the Taliban and al Qaeda sanctuary in Pakistan, the estimates of need for Afghanistan “would be insufficient to deal with the sanctuary,” said Jones. “To expand the scope of the problem regionally, the numbers would have to increase commensurately.”

The correct way to do the math today would be to add the population of Afghanistan to the populations of the Pakistani territories of northern Baluchistan and the Federally Administered Tribal Areas and then calculate the required troops and dollars for the larger region. “Because that’s where the insurgency is taking place,” Jones emphasized.

“It would be helpful to redeploy troops from Iraq to Afghanistan. But that would not, in and of itself, cause success. What the U.S. has done since 2001 is fight a Pakistan-Afghanistan insurgency in Afghanistan only. We could send lots of troops from Iraq to fight in Afghanistan and still not deal with the sanctuary challenge.”

Knowing the Terrain

Many countries in the region have complicated U.S. and NATO efforts in Afghanistan, he said. “Pakistan has the most significant role. Iran has a small amount of arms flowing in. Indian involvement in reconstruction in Afghanistan has caused Pakistan to feel very insecure. The Russians are providing support to tribal leaders and warlords in the north of Afghanistan. Engaging a variety of actors in the region is an important step to take.”
The good news is that the world need not look far for a solution. In late November and early December 2001, just days after the Taliban’s ouster, world leaders demonstrated how shared problems in the region could be resolved. The United Nations convened the regional powers in Bonn, Germany, to negotiate the architecture of the current Afghan government. Among those representing the U.S. delegation were its leader, Ambassador James Dobbins, who is now a RAND analyst, and Zalmay Khalilzad, a former RAND analyst who is now U.S. ambassador to the United Nations. The negotiations included the other key regional players: Iran, China, Pakistan, Russia, and India. By all accounts, the group succeeded in establishing a mutually acceptable government in Afghanistan.

“But that dissipated quickly,” said Jones. “We need to return to that framework. Working on a regional strategy to deal with the insurgency is critical.”

One source of regional conflict is a long-festering border dispute between Afghanistan and Pakistan. The dispute dates back to 1893 when Pakistan was still part of British India. At the time, Sir Mortimer Durand, foreign secretary of the colonial government of India, and the ruler of Afghanistan, Emir Abdur Rahman Khan, agreed on a border between Afghanistan and the British Indian empire and called this border the Durand Line. Today, Afghanistan considers the Durand Line, which divides the Pashtun population, to have lapsed. Pakistan, however, still recognizes the Durand Line (see Figure 4).

“This is a major source of tension,” said Jones. “The Afghans claim the border should be drawn much deeper into what is now Pakistan. Pakistan wants to leave the border where it is. There have been no efforts to resolve the situation.”

Meanwhile, Pakistani concerns have mounted about the growing role of India, which has established close diplomatic ties with the Afghan government, constructed its parliament building, and rebuilt many Afghan roads. To the chagrin of Pakistan, India has become Afghanistan’s “closest regional ally by far,” said Jones.

“This is driving some elements of the Pakistani government to support Afghan insurgent groups. In strategy journals in Pakistan, there is a constant driving theme that India has encircled them. So there are some Pakistanis who are willing to work with groups like the Taliban that can push the Pakistani sphere of influence into the south and east of Afghanistan. In a sense, Afghanistan is the site of a proxy war between Pakistan and India.”

No wonder the border area between Afghanistan and Pakistan has become a no man’s land inviting to terrorists, while India and Pakistan wrestle for Kabul. Jones believes that India should become a central player in a new round of regional negotiations that would have two goals: to deny the Taliban and al Qaeda...
“A high representative would obviously not actually run Afghanistan, but he or she would increase efficiency,” said Jones. “The main job would be to coordinate civilian reconstruction efforts” among local governments, nongovernmental organizations, and international agencies such as the United Nations, the World Bank, and the International Monetary Fund.

“What gives me hope is in the areas of Afghanistan where international assistance has touched the population, mostly in the urban areas,” said Jones. “Seeing the changes in education—in the number of schools, the number of people going to school, the number of girls going to school—does give me hope that, over the last several years, the international community has had a positive impact on some places in Afghanistan.”

Ground Zero

The dangers of delaying assistance to the rest of Afghanistan are graver than ever, Jones warned. “The Taliban, al Qaeda, and other insurgent groups are more competent today than they were on 9/11 in several ways.”

Technologically, they have improved their use of media for spreading propaganda and for recruiting, and they have expanded their use of improvised explosive devices. “They’ve developed more-sophisticated types of weapons because they’ve been involved in fighting on multiple fronts against U.S. forces, especially in Iraq. This is an important area of increased competence.”

Structurally, al Qaeda has struck an adroit balance by emboldening new autonomous franchises while retaining its

“My biggest fear about Afghanistan is that the population could give up on the government.”

their sanctuary in the ungoverned border area and to remove Kabul as a point of contention between India and Pakistan.

If regional negotiations could once again set the ground rules for rebuilding Afghanistan, Jones proposes that an international civilian leader be appointed to coordinate foreign aid efforts in the country. After the fall of the Taliban, in contrast, Western countries established a “lead nation” approach to rebuilding Afghanistan’s security sector. Under the lead-nation approach, Germany would train the Afghan police, Italy would reform the judiciary, Britain would counter narcotics, Japan and the United Nations would disarm illegal armed groups, and the United States would build the Afghan Army.

“This arrangement was not successful,” said Jones. “Rather than revisit the lead-nation approach, one option would be to move in the direction of what has been done in the Balkans.” There, for example, the international community’s high representative for Bosnia and Herzegovina has been a rotating position held by world diplomats since 1995, beginning with former Swedish Prime Minister Carl Bildt and followed by successors from Spain, Austria, Britain, Germany, and Slovakia.
top-down leadership. Jones described al Qaeda today as four rings of concentric circles: al Qaeda central, affiliated groups, loose networks of affiliated individuals, and other individuals inspired to take independent action.

Numerically and geographically, “al Qaeda has spread its tentacles.” Between 1995 and 2001, the group averaged fewer than two attacks per year. Between 2002 and 2006, it averaged ten attacks per year, excluding Iraq and Afghanistan. The attacks have spread to London, Madrid, Bangladesh, Indonesia, Iraq, Jordan, Turkey, Tunisia, and Algeria.

The trend is especially alarming inside Afghanistan. “The number of insurgent-initiated attacks in the country increased by 400 percent from 2002 to 2006. The number of deaths from these attacks increased over 800 percent during the same period,” said Jones. “Many of these attacks were against Afghan civilians, international aid workers, and coalition forces. The increase in violence was particularly acute between 2005 and 2006.”

Jones worries mostly about the Afghan people. “My biggest fear about Afghanistan is that the population could give up on the government. In 2001, there was hope and expectation that the Afghan government, with international assistance, could make life better for Afghans, bring electricity where there was none, increase the flow of water to villages, provide essential services that the Taliban government did not do, increase the basic economic and health and other conditions in the country. My biggest fear is that the Afghan population will eventually give up on the government’s ability to provide these services. It’s already happened in some places.”

Younossi mentioned that the Afghan government manages only 20 percent of the foreign aid now being sent to the country, with the rest being managed by nongovernmental and international organizations. “If the local government were allowed to manage a larger portion of the aid,” he suggested, “the government might stand a better chance of winning over the people.”

Jones concurs. “Ultimately, counterinsurgency is about governance, about the local government being able to provide security and basic services to its population. Some areas of the country haven’t seen those. That’s what I stay up late at night thinking about: when the population gives up or becomes too fearful because the Taliban has gained control again. That’s the center of gravity. If you lose the population, you lose the war.”

**Related Reading**


**An Afghan woman walks along a snowy path in her neighborhood of Kabul, Afghanistan, on February 19, 2007.**


Force of First Resort
Katrina Offers Lessons for Improving the National Guard Response to Catastrophic Domestic Emergencies

By Lynn E. Davis

Lynn Davis, director of the RAND Washington office, was U.S. undersecretary of state for arms control and international security affairs from 1993 to 1997 and deputy assistant secretary of defense for policy plans from 1977 to 1981.

Tragic as the effects of Hurricane Katrina and its aftermath were in exacting an enormous toll in death, destruction, and suffering in 2005, the catastrophe did give the United States an opportunity to become better prepared not only for natural disasters but also for terrorist attacks. Such attacks, especially those involving weapons of mass destruction, could require responses similar in nature and scale to those demanded by Katrina.

The table outlines how the effects and response requirements of several scenarios now being envisioned by the U.S. Department of Homeland Security—from radiological, nuclear, and biological terrorist attacks to a major earthquake—would be generally comparable to the effects and response requirements experienced in the wake of Hurricane Katrina. Thus, the lessons so painfully learned from the hurricane could help America become stronger for all types of future catastrophic domestic emergencies.

The nation’s response to Hurricane Katrina and to the breach of the levees in New Orleans was both impressive and unprecedented. It was also inadequate. The most important problem was the speed with which state, local, and federal civilian organizations were overwhelmed. However, the military response also faced problems, especially in the critical first few days. These problems contributed to delays in evacuating the Superdome and convention center in New Orleans and in accomplishing search-and-rescue operations throughout the storm-ravaged areas of Louisiana and Mississippi.

Numerous difficulties beset the military response. The initial call-up of the U.S. Army National Guard in Louisiana and Mississippi was hindered by the fact that each state had a brigade, or about 3,000 troops, redeploying from Iraq. It took more than three days for roughly 6,000 backup troops to arrive from other states, because many had neither planned nor exercised for such emergencies. As the forces flowed into the region, they lacked command and control, because it took more than a week for U.S. National Guard (henceforth national guard) division headquarters staffs to arrive. Finally, the president did not decide until the end of the first week of the response to send in active-duty land units from the U.S. Army and U.S. Marine Corps, in part because most of these units were either overseas or preparing to deploy.

Absent changes in how the army plans for, responds to, and operates in catastrophic domestic emergencies, future responses might not look much better. To improve military disaster-response efforts, the U.S. Army should take the following steps:

• Give state national guard units the federal mission to conduct homeland security activities, as is the case today for planning and funding counterdrug operations.
• Create ten regional national guard rapid-reaction homeland security task forces.
• Collocate these task forces with the regional planning offices of the Federal Emergency Management Agency (FEMA).
• Create opportunities for the regional national guard task forces to train regularly with local first responders, including law enforcement officials, and other local units that are focused on counter-terrorism and weapons of mass destruction.
• Train state national guard units for rapid response not only within their states but also for emergencies in other states.
• Prepare governors to call up state national guard units quickly and involuntarily for active-duty, out-of-state emergencies.
• Establish plans to use the Air National Guard or commercial airlines to fly designated national guard units to out-of-state emergencies.

Guardian of the Homeland
The U.S. National Guard is the military force of first resort for domestic emergencies. It played a central role in the response to Hurricane Katrina.

In organizational terms, the national guard is a component of both the U.S. Army (Army National

<p>| Hurricane Katrina’s Destruction and Requirements Look Similar to What the Country Might Face in Future Scenarios |
|---------------------------------------------------------------|---------------------------------------------------------------|</p>
<table>
<thead>
<tr>
<th><strong>Scenario</strong></th>
<th><strong>Hurricane Katrina</strong></th>
<th><strong>Radiological Attack</strong></th>
<th><strong>Nuclear Detonation</strong></th>
<th><strong>Biological Attack: Anthrax</strong></th>
<th><strong>Biological Attack: Plague</strong></th>
<th><strong>Natural Disaster: Major Earthquake</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DESTRUCTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fatalities</td>
<td>1,349</td>
<td>180</td>
<td>Widely variable; possibly tens of thousands</td>
<td>13,000</td>
<td>2,500</td>
<td>1,400</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>93,000 square miles</td>
<td>Transportation severely hampered by checkpoints; extensive contamination of about 36 city blocks</td>
<td>Total destruction within a radius of 0.5 to 1 mile; significant damage in a larger area</td>
<td>Minimal damage</td>
<td>No damage</td>
<td>150,000 buildings destroyed; 1 million damaged; significant transportation disruptions</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.5 million without power</td>
<td>Some damage near the explosion</td>
<td>Electrical power and telecommunications out for a couple of weeks; damaged in a 3-mile radius</td>
<td>Minimal damage</td>
<td>No damage</td>
<td>Widespread water, gas, electricity, and communication outages</td>
</tr>
<tr>
<td><strong>REQUIREMENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evacuations</td>
<td>2,000,000</td>
<td>Downwind populations</td>
<td>450,000 or more</td>
<td>Possibly</td>
<td>Possibly</td>
<td>300,000 households</td>
</tr>
<tr>
<td>Medical</td>
<td>Casualty care</td>
<td>Screening and decontaminating thousands of evacuees</td>
<td>Decontamination and short- and long-term care for tens of thousands</td>
<td>Care for over 325,000 exposures</td>
<td>Care for over 10,000 ill victims</td>
<td>Over 100,000 injuries and 18,000 hospitalizations; many medical facilities damaged</td>
</tr>
</tbody>
</table>

**SOURCE:** Hurricane Katrina: Lessons for Army Planning and Operations, 2007.
Guard) and U.S. Air Force (Air National Guard). Today, state national guard units are being regularly called upon for duty in Iraq and Afghanistan. But most often, national guard units function as state militias, falling under the command of state governors and senior state military officers known as adjutants general.

Accordingly, many of the most pertinent military lessons from Hurricane Katrina and its aftermath deal with how state governors and adjutants general can improve the response of their state national guard units to out-of-state emergencies. For example, the military response to Katrina from states outside the disaster area consisted mostly of volunteers. In the future, state officials need to be ready to call up units involuntarily, need to have ready backup units to fill in for those deployed overseas, and need to plan for how to use the Air National Guard or commercial airlines to fly units out of state when necessary.

Even if these steps are taken, the preparations made within the states will be insufficient. The national guard needs to adopt a regional focus in preparing for catastrophic domestic emergencies, such as Hurricane Katrina, that exceed the response capabilities of individual states. The best way to improve the army’s response to domestic disasters is to empower the national guard for a regional focus.

Creating ten national guard regional task forces would enable them to prepare for and respond quickly to emergencies across states.
be responsible for one of the ten multistate planning regions already being used by FEMA (see the map). Each task force should coordinate its homeland security efforts with FEMA and other civilian relief operations. Consisting of about 900 members, each task force should be able to respond within 18 hours to support the local and regional civilian agencies that are first on the scene.

Available, Predictable, Reliable

The army’s existing unit-readiness process can be used to achieve quicker and better results from both national guard and active-duty troops. Currently, army active-duty and mobilized national guard units move through a series of scripted, predictable steps to prepare for rotations or for unforeseen contingencies overseas. This newly designed method is called the Army Force Generation process.

The army should take advantage of this process to enhance the nation’s military response to catastrophic domestic emergencies. As units enter into the readiness phase preparing them for an overseas mission, they should receive homeland security training as well. Some national guard and active-duty units could then be assigned a homeland security mission in place of an overseas mission. The number of personnel given a homeland security mission would be determined in light of currently available civilian responders.

Multiple command-and-control structures complicated the military response to Katrina. Given the uncertainty of future emergencies, designating a single command-and-control arrangement would be neither feasible nor wise. Instead, a set of alternatives needs to be defined, giving the leadership to either a federal or state task force and enabling decisionmakers to select quickly depending on the circumstances of each emergency and the capabilities of the affected states. In general, as the number of states involved or the scale of a catastrophe increases, the case for federal leadership grows stronger.

Some of these initiatives will cost money. But what is needed most is a change from past perspectives and practices regarding the role of the military in responding to catastrophic domestic emergencies. That role can no longer be ignored.

Hurricane Katrina came with ample warning. A terrorist attack would not. The need for trained and ready military forces to deal with homeland security missions is no less important than it is for dealing with contingencies overseas. But domestic forces cannot become trained and ready unless they coordinate their efforts for reliable regional responses.

As an editorial in Louisiana’s Shreveport Times recently declared in response to these recommendations, “Natural disasters and manmade ones will continue to test the preparedness limits of our state and nation. Giving a federal mission for homeland security—with regional assignments—to the national guard would be a major step forward toward meeting the challenges of the unknown.”

In general, as the number of states involved or the scale of a catastrophe increases, the case for federal leadership grows stronger.

Related Reading


Completed in 1982, the RAND Health Insurance Experiment stands out as the only long-term, experimental study of cost sharing and its effects on medical service use, quality of care, and health. It is possible to take two contrasting perspectives on the lessons of the experiment with respect to today’s health care debate, in which the notion of cost sharing, or shifting a greater share of health care expense onto consumers, has returned to prominence.

On the one hand, the study suggests that cost sharing can help achieve the fundamental goals of cutting costs and reducing waste without damaging health or quality of care for most people. Participants who paid for a share of their health care used fewer health services than did a comparison group given free care. The cost sharing did not significantly affect the quality of care received by participants.

On the other hand, the experiment shows that cost sharing can be a blunt tool, reducing both needed and unneeded health services in roughly equal proportions. Although cost sharing had no adverse health effects in general, there were exceptions: Care for hypertension, dental health, vision, and selected serious symptoms worsened for the sickest and poorest patients under cost sharing. Therefore, the study concluded that cost sharing should be minimal or nonexistent for the poor, especially those with chronic disease.

Subsequent RAND studies have underscored the mixed effects of cost sharing. Our goal in this essay is not to conclude that cost sharing is good or bad but merely to explain its mixed effects so that policymakers can make sound decisions based on a full set of facts.

The Experiment

In the early 1970s, the effects of cost sharing took center stage in the national health care debate. Back then, the debate focused on free, universal health care and on whether the benefits would justify the costs. To inform the debate, a RAND team designed and carried out the Health Insurance Experiment, whose fieldwork began in 1974 and ended in 1982.

The team recruited 2,750 families from six sites across the country, encompassing more than 7,700 people under the age of 65. They were randomly assigned to one of five types of health insurance plans created specifically for the experiment. One type offered free care under a fee-for-service plan (the patient fee was zero). Three types of plans involved varying levels of cost sharing under a fee-for-service plan: 25 percent,
50 percent, or 95 percent coinsurance (the portion of medical charges that the families had to pay). The 95-percent plan closely resembled the high-deductible catastrophic plans being discussed today. The fifth type of plan offered free care from a nonprofit health maintenance organization (HMO).

For poorer families in the cost-sharing plans, the fees were capped at one of three levels (5, 10, or 15 percent of income) or at $1,000 annually (about $3,000 annually if adjusted from 1977 to 2005 levels), whichever was lower. Families participated for three or five years. The upper age limit for adults at the time of enrollment was 61, so that none of them would become eligible for Medicare before the experiment ended.

To assess the use, costs, and quality of care, RAND served as the insurer and oversaw the processing of claims. To assess participant health, RAND oversaw the administration of comprehensive physical exams and also of surveys at the beginning and end of the experiment.

### Reduced Use of Health Services

Cost sharing reduced the use of nearly all health services. Both adults and children with cost sharing made one to two fewer physician visits annually and had 20 percent fewer hospitalizations than did those with free care under the fee-for-service plan (see Figures 1 and 2). Declines in use of care were similar for dental visits, prescriptions, and other services.

Consumers in the HMO had 39 percent fewer hospitalizations than did the consumers with free care who used the fee-for-service system, but the HMO consumers made similar use of outpatient services. Overall, spending reductions under the HMO were comparable to those seen under a high rate of coinsurance.

People in cost-sharing plans spent less than others did on health care, but the savings came from using fewer services rather than finding lower prices. Those with 25-percent coinsurance spent 20 percent less than did participants with free care, and those with 95-percent coinsurance spent about 30 percent less than did participants with free care (see Figure 3).

The reduced use of services resulted primarily from participants deciding not to initiate care. Once patients entered the health care system, cost sharing only modestly affected the intensity or cost of an episode of care.

### Similar Appropriateness and Quality

Cost sharing reduced the use of health services at all levels of effectiveness, from highly effective care to less effective care, and in roughly equal amounts among most groups of participants. Both the proportion of inappropriate hospitalizations and the proportion of inappropriate use of antibiotics were the same for cost-sharing and free-plan participants.

Two striking findings emerged with respect to quality of care. First, cost sharing did not significantly

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**Cost sharing reduced the use of health services at all levels of effectiveness.**

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### Figures 1 and 2—Both Adults and Children with Cost Sharing Visited Doctors Less Often . . . and Were Admitted to Hospitals Less Frequently Than Were Patients with Free Care

<table>
<thead>
<tr>
<th>Level of coinsurance (percentage)</th>
<th>Annual face-to-face doctor visits per capita</th>
<th>Annual hospital visits per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>4.55</td>
<td>0.128</td>
</tr>
<tr>
<td>25</td>
<td>3.33</td>
<td>0.105</td>
</tr>
<tr>
<td>50</td>
<td>3.03</td>
<td>0.092</td>
</tr>
<tr>
<td>95</td>
<td>2.73</td>
<td>0.099</td>
</tr>
</tbody>
</table>

**SOURCE:** Free for All: Lessons from the RAND Health Insurance Experiment, 1993.
alter the quality of care delivered. Second, the overall level of quality was surprisingly low for all participants: The RAND criteria for quality were met only 62 percent of the time. By contrast, patient satisfaction was generally high, and it did not vary at different levels of cost sharing among the fee-for-service plans.

It is important for all parties in the debate to acknowledge that the quality of U.S. health care has not improved in the past 20 years. In 2003, a nationwide RAND study showed that quality criteria were met only 55 percent of the time. Thus, despite tremendous technical progress that has raised the potential value of care, there has been no clinical progress in the quality of care received as a proportion of the best care available.

Limited Health Effects

For most participants, the reduction in services induced by cost sharing had no adverse effects on health. However, the poorest and sickest 6 percent of participants fared better under the free plan for 4 of the 30 health conditions measured.

In particular, free care improved the control of hypertension. The poorest patients in the free-care group who entered the experiment with hypertension saw greater reductions in blood pressure than did their counterparts with cost sharing. Although the number of actual deaths in the experiment was too few to be statistically meaningful, the changes in blood pressure that free care triggered would have reduced annual expected mortality rates by about 10 percent among a large population of poor patients with hypertension.

Free care marginally improved vision for the poorest patients. Free care also increased their likelihood of receiving needed dental care. And poorer people on the free plan suffered fewer serious symptoms, such as chest pain when exercising or shortness of breath with light exercise or work.

Cost sharing had some apparently beneficial health effects. Participants in cost-sharing plans worried less about their health and had fewer restricted-activity days (including time spent seeking medical care) than those with free care in the fee-for-service plan.

Health outcomes at the HMO were no worse than outcomes for those with free care in the fee-for-service plan, but patient satisfaction was lower among people initially assigned to the HMO. These people were less satisfied with care overall than either those who had previously chosen to be in the HMO or those who remained in the fee-for-service system.

The experiment also examined whether shouldering more of their own health care costs led people to take better care of themselves. It did not. Risky behaviors were unaffected. The rates of smoking and obesity, for instance, did not change.

Mixed Blessings Continue

Today’s health care environment differs in fundamental ways from the one in which the Health Insurance Experiment took place. The science of medicine has changed across all dimensions. Managed care has become more prominent, as has prescription drug use. Doctors emphasize preventive care to a greater extent and know more about providing it. Given these and many other systemic changes, we cannot be sure that a similar experiment undertaken today would produce similar results.

Nonetheless, subsequent RAND work has reaffirmed that cost sharing alone, while reducing costs

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and waste, neither improves the overall appropriateness of care sought by patients nor raises the quality of care delivered by doctors. But perhaps appropriateness, quality, and even savings could all be increased if cost sharing were reduced for people with conditions for which treatment is cheap and effective.

For example, a 2006 RAND study has shown that eliminating prescription co-payments for the people most in need of cholesterol-lowering drugs could improve their health and help save more than $1 billion annually by raising compliance with the drug regimen and reducing the chance of hospitalizations. The analysis revealed a clear pattern: For each $10 rise in co-payment, the average compliance fell 5 percentage points.

In this case, combining zero co-payments for sicker patients with increased co-payments (by $10 or $20) for healthier patients would cut the number of hospitalizations by 80,000 to 90,000 a year and the number of emergency department visits by 30,000 to 35,000 a year, yielding the enormous net savings. The study, by RAND health economist Dana Goldman and colleagues, confirms the insight from the Health Insurance Experiment that cost sharing can endanger the sickest patients, setting them up for more costly care down the road.

Other recent RAND work on cost sharing has also reached conclusions reminiscent of the Health Insurance Experiment. RAND health economist Melinda Beeuwkes Buntin reviewed studies of the rapidly growing phenomenon of “consumer-directed health care,” which shifts more of the cost of routine care onto consumers by means of high-deductible plans (similar to the Health Insurance Experiment’s highest coinsurance plan) that are often paired with tax-free health savings accounts. The rationale for these plans is that combining zero co-payments for sicker patients with increased co-payments (by $10 or $20) for healthier patients would cut the number of hospitalizations by 80,000 to 90,000 a year and the number of emergency department visits by 30,000 to 35,000 a year, yielding the enormous net savings. The study, by RAND health economist Dana Goldman and colleagues, confirms the insight from the Health Insurance Experiment that cost sharing can endanger the sickest patients, setting them up for more costly care down the road.

Buntin is evaluating the effects of the next generation of these plans on cost, access, and quality.

Despite calls to modify cost-sharing plans over the years, no one has yet implemented a policy that verifiably exploits the benefits of cost sharing (lower costs, reduced levels of unnecessary care, no overall harmful health effects for most people) while avoiding its negatives (reduced levels of necessary care, some deleterious health consequences for poorer and sicker patients, potentially higher costs down the road). Although poorer patients can be exempted from cost sharing, the question remains open whether a superior policy alternative can be put into place to avert the other negative consequences of cost sharing. That question has gone unanswered since the Health Insurance Experiment first posed it 25 years ago. Perhaps for that reason, proponents and opponents of cost sharing have pointed to different results of the experiment ever since.

Related Reading


The Effect of Coinsurance on the Health of Adults: Results from the RAND Health Insurance Experiment, Robert H. Brook, John E. Ware, William H. Rogers, Emmett B. Keeler, Allyson Ross Davies, Cathy D. Sherbourne, George A. Goldberg, Kathleen N. Lohr, Patricia Camp, Joseph P. Newhouse, RAND/R-3055-HHS, 1984, 128 pp. As of press time (Web only): www.rand.org/pubs/reports/R3055/


Continental Shift

French Debates Point to an Increasingly Multicultural Europe

By James A. Thomson

James Thomson is president and chief executive officer of the RAND Corporation.

To Americans who paid attention to France’s presidential election this past May, the debates among Nicolas Sarkozy, Ségolène Royal, and the other candidates touched upon strikingly familiar topics. Terrorism. A graying population destined to make greater demands on social security and health care systems. Growing numbers of legal and illegal immigrants facing difficulties integrating into society. Youth gangs and violence.

France’s election themes echoed policy debates that have taken place throughout Europe over the past decade. But what struck a chord with U.S. observers was that the French debates sounded similar to those that American voters and policymakers have been waging, though not necessarily resolving, for a very long time. Some of the issues that distinguish today’s national political discourse in France—race relations, for example, or religion in public schools—are ones that Americans might have thought were uniquely or quintessentially American.

As European states expand the membership of the European Union (EU) and other institutions, they confront a host of new challenges that know no boundary. Across Europe, there has been a confluence of issues that have all surfaced from a common underlying source: the need to manage change in multicultural societies.

Managing change requires objective analysis and innovative solutions. And these are areas in which RAND and its sister institution RAND Europe can play vital roles, helping leaders shape policy throughout Europe. As policy analysts for nearly six decades, RAND researchers have helped leaders recognize, deal with, plan for, adapt to, and manage change.

RAND Europe has been providing this sort of assistance to European governments, foundations, audit bodies, the EU, and other international organizations for 15 years. Recently, for example, RAND Europe evaluated fraud and errors in European social security systems, studied options that European governments might consider to raise population fertility rates, and investigated ways that authorities can counter the radicalization of Muslim youths who have been incarcerated in European prisons.

RAND Europe, which consolidated its operations in Cambridge, England, late last year, is uniquely well positioned to inform Europe’s policy debates and to help European leaders adapt to shifting multicultural currents. Beyond its existing research focus on six areas—modeling, health and health care, science and technology, defense and security, information policy and economics, and evaluation and audit—RAND Europe has also created an “emerging areas” practice to develop new and cutting-edge approaches to policy challenges still over the horizon.

Last May’s French presidential policy debates offered hints as to the types of challenges that might emerge. Many will likely involve managing major societal changes. From RAND’s perspective, that’s a driving motivation. RAND and RAND Europe have grown and flourished out of recognition that change is inevitable and that public policy is the art of managing such change for the greatest social benefit.

Vive le changement!
Thanks to the generosity of RAND Policy Circle members, RAND has the ability to pursue an ambitious, philanthropically supported research agenda. To share its innovations, RAND hosts members-only events that showcase a wide variety of research areas, including education, health care, international relations, national security, the arts, civil and criminal justice, and the environment. These events are designed to provide policy circle members with an opportunity to observe how their investments in RAND help policy analysts inform government, corporate, and nonprofit decisionmakers and make a difference in communities across the United States and around the world.

Recently, RAND Policy Circle members were invited to “Go Behind the Data: An Interactive Look at RAND's Latest Innovation.” Attendees participated in an interactive Web-based survey that demonstrated MMIC™ (Multimode Interviewing Capability), a new data-collection technique from RAND Labor and Population. Participants viewed results in real time, allowing them to see firsthand how evidence can be properly gathered, objectively managed, and effectively utilized to inform policymakers about the public’s thinking on some of today’s most pressing issues.

Other recent events included an exclusive art tour of the collections of Peter Norton and Eileen Harris-Norton (on display in RAND’s Santa Monica headquarters); a roundtable discussion about “Early Objective Indicators of Child Mental Health”; breakfast with Bill Overholt, director of the RAND Center for Asia Pacific Policy, who spoke on “The U.S. and China: Myths and Reality”; and a talk by Martin Wachs, director of RAND Transportation, Space, and Technology, with policy circle members in Pittsburgh.

The RAND Policy Circle offers its members insider access to RAND and RAND researchers. To find out more about membership benefits, visit www.rand.org/giving/about.html or contact us at 800.757.4618 today.

Don’t miss out on the next insider’s event!
In Remembrance

Susan Way-Smith, member of the Pardee RAND Graduate School (PRGS) Board of Governors since 1998, passed away on June 3, 2007.

Susan graduated from PRGS in 1992 and then enjoyed a distinguished career that spanned both the private and public sectors. After a successful career as a strategic planner and executive with Allegheny Teledyne, she was appointed president and chief executive officer of the Los Angeles Educational Partnership in 2000. On two occasions, she worked at the RAND Corporation as a policy analyst. Throughout, she was a great friend to PRGS.

A memorial service in celebration of her life was held at RAND. Among the many speakers who shared remembrances were Mary Anne Doyle, 1997 PRGS graduate; Tom Epley, member, PRGS Board of Governors; Teresa Tanningco, 2006 PRGS graduate; James Thomson, president and chief executive officer, RAND; and Charles Wolf, Jr., dean emeritus, PRGS. Tanningco closed the ceremony with a short eulogy and truly captured the sentiments of Susan's many friends and colleagues:

Most of us who go through the program hope to make the world a better place when we graduate. Susan did just that, not just professionally but also personally.

Susan's husband and sister, Doug Smith and Betsy Way, have established the Susan Way-Smith Memorial Fund at the Pardee RAND Graduate School in her honor. In recognition of her lifelong commitment to improving the quality of public education, this endowed fund will be used to support an annual dissertation award at PRGS in the field of public education policy research. For information on how to contribute to the Susan Way-Smith Memorial Fund, please contact Rachel Swanger by email at swanger@rand.org or by phone at 310.393.0411 ext. 7197.