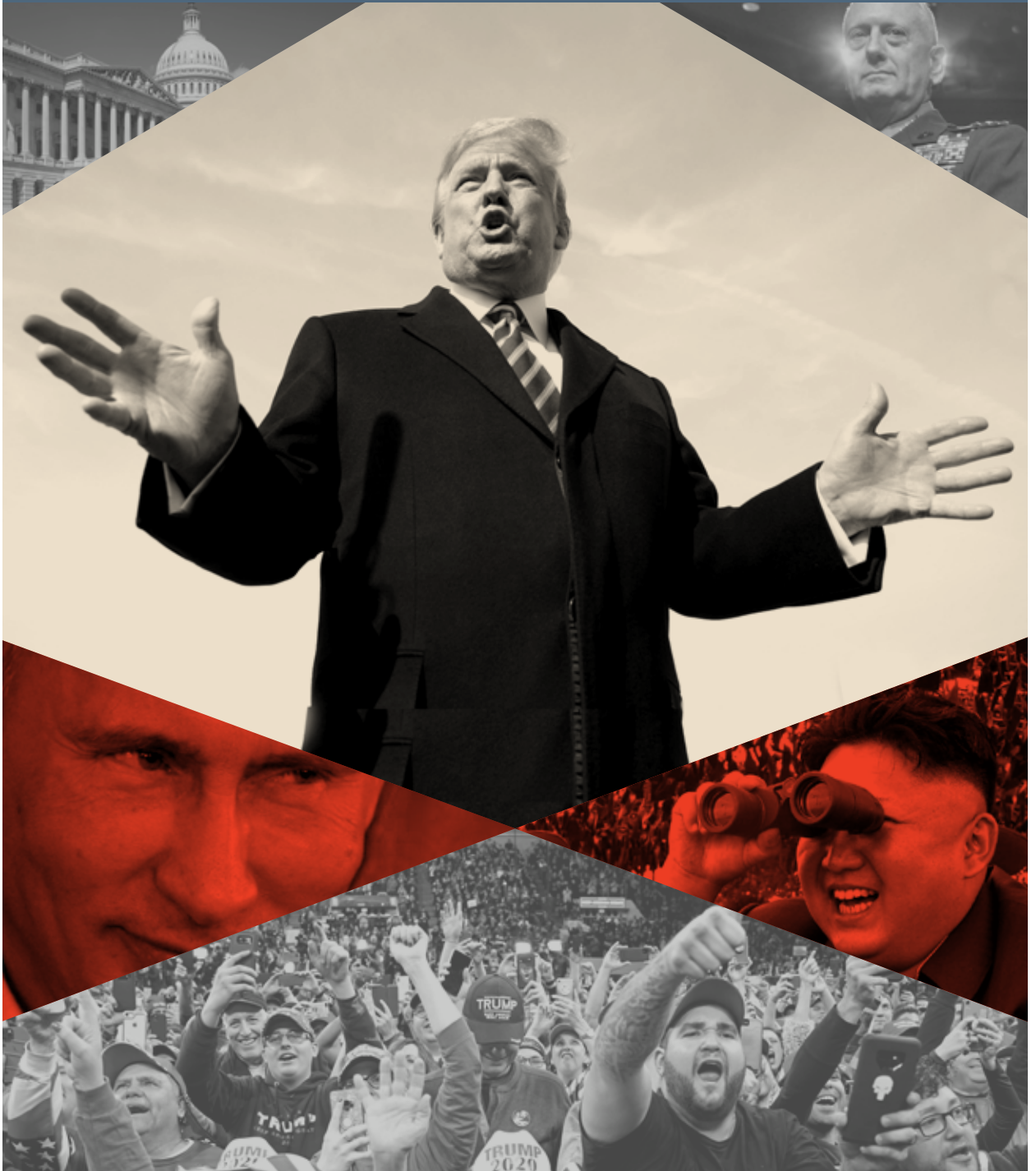




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# TRUMP'S WORLD

The Foreign Policy Legacy  
of the "America First" President



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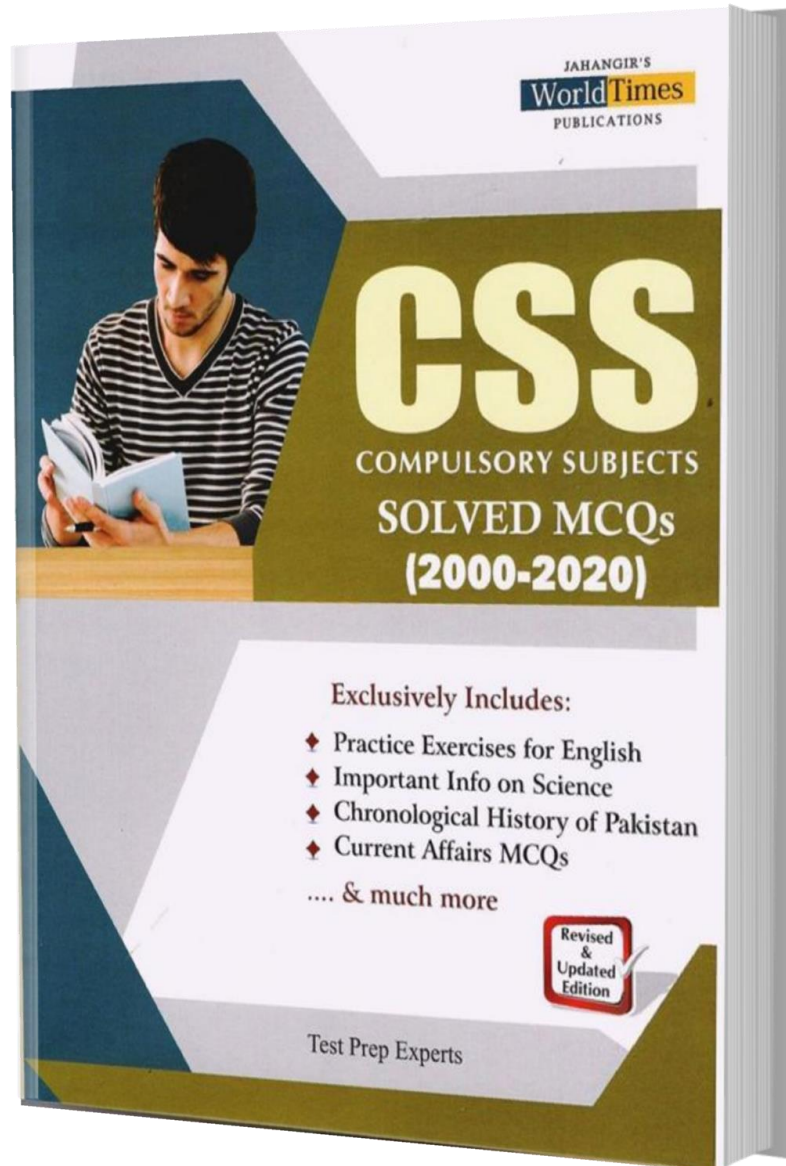
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## Trump's World

The Foreign Policy Legacy of the  
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# Introduction

NOVEMBER 2020

**W**hen Donald Trump assumed the presidency in January 2017, the central tenets of U.S. foreign policy were already under scrutiny. Challenges came from within the United States, in the form of discontent with the unequal effects of globalization and the costs of foreign intervention, and from abroad, as rising powers contested post–Cold War U.S. dominance.

Guided by an “America first” ethos, the Trump administration deviated from the United States’ traditional approach to alliances and international cooperation, favoring transactional relations and a renewed focus on geopolitical competition. It reversed U.S. policy in key areas, from abrogating the Iran nuclear deal to withdrawing from the Paris climate accord to recognizing Jerusalem as the capital of Israel. It escalated some conflicts, including a trade war with China, and struggled to extricate the country from others, as in the case of U.S. military operations in Afghanistan and Syria. And, following a final year in office consumed by the coronavirus pandemic, Trump will pass on to his successor a global health and economic crisis that has come to define his presidency.

In this collection, we look at how Trump’s policies and the reordering of global politics over the past four years have contributed to a broader reassessment of the United States’ role in the world. That the Trump era marks a sharp divergence from the recent past is clear, but the consequences of the shift are less so. Grappling with this legacy will be among the next administration’s most significant foreign policy tests. 🌐



# **TRUMP'S FOREIGN POLICY PIVOT**

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# The Jacksonian Revolt

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## American Populism and the Liberal Order

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*Walter Russell Mead*

MARCH/APRIL 2017

**F**or the first time in 70 years, the American people have elected a president who disparages the policies, ideas, and institutions at the heart of postwar U.S. foreign policy. No one knows how the foreign policy of the Trump administration will take shape, or how the new president's priorities and preferences will shift as he encounters the torrent of events and crises ahead. But not since Franklin Roosevelt's administration has U.S. foreign policy witnessed debates this fundamental.

Since World War II, U.S. grand strategy has been shaped by two major schools of thought, both focused on achieving a stable international system with the United States at the center. Hamiltonians believed that it was in the American interest for the United States to replace the United Kingdom as “the gyroscope of world order,” in the words of President Woodrow Wilson's adviser Edward House during World War I, putting the financial and security architecture in place for a reviving global economy after World War II—something that would both contain the Soviet Union and advance U.S. interests. When the Soviet Union fell, Hamiltonians responded by doubling down on the creation of a global liberal order, understood primarily in economic terms.

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**WALTER RUSSELL MEAD** is James Clarke Chace Professor of Foreign Affairs and Humanities at Bard College and a Distinguished Scholar at the Hudson Institute.

Wilsonians, meanwhile, also believed that the creation of a global liberal order was a vital U.S. interest, but they conceived of it in terms of values rather than economics. Seeing corrupt and authoritarian regimes abroad as a leading cause of conflict and violence, Wilsonians sought peace through the promotion of human rights, democratic governance, and the rule of law. In the later stages of the Cold War, one branch of this camp, liberal institutionalists, focused on the promotion of international institutions and ever-closer global integration, while another branch, neoconservatives, believed that a liberal agenda could best be advanced through Washington's unilateral efforts (or in voluntary conjunction with like-minded partners).

The disputes between and among these factions were intense and consequential, but they took place within a common commitment to a common project of global order. As that project came under increasing strain in recent decades, however, the unquestioned grip of the globalists on U.S. foreign policy thinking began to loosen. More nationalist, less globally minded voices began to be heard, and a public increasingly disenchanted with what it saw as the costly failures the global order-building project began to challenge what the foreign policy establishment was preaching. The Jeffersonian and Jacksonian schools of thought, prominent before World War II but out of favor during the heyday of the liberal order, have come back with a vengeance.

Jeffersonians, including today's so-called realists, argue that reducing the United States' global profile would reduce the costs and risks of foreign policy. They seek to define U.S. interests narrowly and advance them in the safest and most economical ways. Libertarians take this proposition to its limits and find allies among many on the left who oppose interventionism, want to cut military spending, and favor redeploying the government's efforts and resources at home. Both Senator Rand Paul of Kentucky and Senator Ted Cruz of Texas seemed to think that they could surf the rising tide of Jeffersonian thinking during the Republican presidential primary. But Donald Trump sensed something that his political rivals failed to grasp: that the truly surging force in American politics wasn't Jeffersonian minimalism. It was Jacksonian populist nationalism.

## **IDENTITY POLITICS BITE BACK**

The distinctively American populism Trump espouses is rooted in the thought and culture of the country's first populist president, Andrew



Jackson. For Jacksonians—who formed the core of Trump’s passionately supportive base—the United States is not a political entity created and defined by a set of intellectual propositions rooted in the Enlightenment and oriented toward the fulfillment of a universal mission. Rather, it is the nation-state of the American people, and its chief business lies at home. Jacksonians see American exceptionalism not as a function of the universal appeal of American ideas, or even as a function of a unique American vocation to transform the world, but rather as rooted in the country’s singular commitment to the equality and dignity of individual American citizens. The role of the U.S. government, Jacksonians believe, is to fulfill the country’s destiny by looking after the physical security and economic well-being of the American people in their national home—and to do that while interfering as little as possible with the individual freedom that makes the country unique.

Jacksonian populism is only intermittently concerned with foreign policy, and indeed it is only intermittently engaged with politics more generally. It took a particular combination of forces and trends to mobilize it this election cycle, and most of those were domestically focused. In seeking to explain the Jacksonian surge, commentators have looked to factors such as wage stagnation, the loss of good jobs for unskilled workers, the hollowing out of civic life, a rise in drug use—conditions many associate with life in blighted inner cities that have spread across much of the country. But this is a partial and incomplete view. Identity and culture have historically played a major role in American politics, and 2016 was no exception. Jacksonian America felt itself to be under siege, with its values under attack and its future under threat. Trump—flawed as many Jacksonians themselves believed him to be—seemed the only candidate willing to help fight for its survival.

For Jacksonian America, certain events galvanize intense interest and political engagement, however brief. One of these is war; when an enemy attacks, Jacksonians spring to the country’s defense. The most powerful driver of Jacksonian political engagement in domestic politics, similarly, is the perception that Jacksonians are being attacked by internal enemies, such as an elite cabal or immigrants from different backgrounds. Jacksonians worry about the U.S. government being taken over by malevolent forces bent on transforming the United States’ essential character. They are not obsessed with corruption, seeing it as an ineradicable part of politics. But they care deeply about what they see as perversion—when politicians try to use the govern-

ment to oppress the people rather than protect them. And that is what many Jacksonians came to feel was happening in recent years, with powerful forces in the American elite, including the political establishments of both major parties, in cahoots against them.

Many Jacksonians came to believe that the American establishment was no longer reliably patriotic, with “patriotism” defined as an instinctive loyalty to the well-being and values of Jacksonian America. And they were not wholly wrong, by their lights. Many Americans with cosmopolitan sympathies see their main ethical imperative as working for the betterment of humanity in general. Jacksonians locate their moral community closer to home, in fellow citizens who share a common national bond. If the cosmopolitans see Jacksonians as backward and chauvinistic, Jacksonians return the favor by seeing the cosmopolitan elite as near treasonous—people who think it is morally questionable to put their own country, and its citizens, first.

Jacksonian distrust of elite patriotism has been increased by the country’s selective embrace of identity politics in recent decades. The contemporary American scene is filled with civic, political, and academic movements celebrating various ethnic, racial, gender, and religious identities. Elites have gradually welcomed demands for cultural recognition by African Americans, Hispanics, women, the LGBTQ community, Native Americans, Muslim Americans. Yet the situation is more complex for most Jacksonians, who don’t see themselves as fitting neatly into any of those categories.

Whites who organize around their specific European ethnic roots can do so with little pushback; Italian Americans and Irish Americans, for example, have long and storied traditions in the parade of American identity groups. But increasingly, those older ethnic identities have faded, and there are taboos against claiming a generic European American or white identity. Many white Americans thus find themselves in a society that talks constantly about the importance of identity, that values ethnic authenticity, that offers economic benefits and social advantages based on identity—for everybody but them. For Americans of mixed European background or for the millions who think of themselves simply as American, there are few acceptable ways to celebrate or even connect with one’s heritage.

There are many reasons for this, rooted in a complex process of intellectual reflection over U.S. history, but the reasons don’t necessarily make intuitive sense to unemployed former factory workers and

their families. The growing resistance among many white voters to what they call “political correctness” and a growing willingness to articulate their own sense of group identity can sometimes reflect racism, but they need not always do so. People constantly told that they are racist for thinking in positive terms about what they see as their identity, however, may decide that racist is what they are, and that they might as well make the best of it. The rise of the so-called alt-right is at least partly rooted in this dynamic.

The emergence of the Black Lives Matter movement and the scattered, sometimes violent expressions of anti-police sentiment displayed in recent years compounded the Jacksonians’ sense of cultural alienation, and again, not simply because of race. Jacksonians instinctively support the police, just as they instinctively support the military. Those on the frontlines protecting society sometimes make mistakes, in this view, but mistakes are inevitable in the heat of combat, or in the face of crime. It is unfair and even immoral, many Jacksonians believe, to ask soldiers or police officers to put their lives on the line and face great risks and stress, only to have their choices second-guessed by armchair critics. Protests that many Americans saw as a quest for justice, therefore, often struck Jacksonians as attacks on law enforcement and public order.

Gun control and immigration were two other issues that crystallized the perception among many voters that the political establishments of both parties had grown hostile to core national values. Non-Jacksonians often find it difficult to grasp the depth of the feelings these issues stir up and how proposals for gun control and immigration reform reinforce suspicions about elite control and cosmopolitanism.

The right to bear arms plays a unique and hallowed role in Jacksonian political culture, and many Jacksonians consider the Second Amendment to be the most important in the Constitution. These Americans see the right of revolution, enshrined in the Declaration of Independence, as the last resort of a free people to defend themselves against tyranny—and see that right as unenforceable without the possibility of bearing arms. They regard a family’s right to protect itself without reliance on the state, meanwhile, as not just a hypothetical ideal but a potential practical necessity—and something that elites don’t care about or even actively oppose. (Jacksonians have become increasingly concerned that Democrats and centrist

Republicans will try to disarm them, which is one reason why mass shootings and subsequent calls for gun control spur spikes in gun sales, even as crime more generally has fallen.)

As for immigration, here, too, most non-Jacksonians misread the source and nature of Jacksonian concern. There has been much discussion about the impact of immigration on the wages of low-skilled workers and some talk about xenophobia and Islamophobia. But Jacksonians in 2016 saw immigration as part of a deliberate and conscious attempt to marginalize them in their own country. Hopeful talk among Democrats about an “emerging Democratic majority” based on a secular decline in the percentage of the voting population that is white was heard in Jacksonian America as support for a deliberate transformation of American demographics. When Jacksonians hear elites’ strong support for high levels of immigration and their seeming lack of concern about illegal immigration, they do not immediately think of their pocketbooks. They see an elite out to banish them from power—politically, culturally, demographically. The recent spate of dramatic random terrorist attacks, finally, fused the immigration and personal security issues into a single toxic whole.

In short, in November, many Americans voted their lack of confidence—not in a particular party but in the governing classes more generally and their associated global cosmopolitan ideology. Many Trump voters were less concerned with pushing a specific program than with stopping what appeared to be the inexorable movement of their country toward catastrophe.

## **THE ROAD AHEAD**

What all of this means for U.S. foreign policy remains to be seen. Many previous presidents have had to revise their ideas substantially after reaching the Oval Office; Trump may be no exception. Nor is it clear just what the results would be of trying to put his unorthodox policies into practice. (Jacksonians can become disappointed with failure and turn away from even former heroes they once embraced; this happened to President George W. Bush, and it could happen to Trump, too.)

At the moment, Jacksonians are skeptical about the United States’ policy of global engagement and liberal order building—but more from a lack of trust in the people shaping foreign policy than from a desire for a specific alternative vision. They oppose recent trade agreements not because they understand the details and consequences of

those extremely complex agreements' terms but because they have come to believe that the negotiators of those agreements did not necessarily have the United States' interests at heart. Most Jacksonians are not foreign policy experts and do not ever expect to become experts. For them, leadership is necessarily a matter of trust. If they believe in a leader or a political movement, they are prepared to accept policies that seem counter-intuitive and difficult.

They no longer have such trust in the American establishment, and unless and until it can be restored, they will keep Washington on a short leash. To paraphrase what the neoconservative intellectual Irving Kristol wrote about Senator Joseph McCarthy in 1952, there is one thing that Jacksonians know about Trump—that he is unequivocally on their side. About their country's elites, they feel they know no such thing. And their concerns are not all illegitimate, for the United States' global order-building project is hardly flourishing.

Over the past quarter century, Western policymakers became infatuated with some dangerously oversimplified ideas. They believed capitalism had been tamed and would no longer generate economic, social, or political upheavals. They felt that illiberal ideologies and political emotions had been left in the historical dustbin and were believed only by “bitter” losers—people who “cling to guns or religion or antipathy toward people who aren't like them . . . as a way to explain their frustrations,” as Barack Obama famously put it in 2008. Time and the normal processes of history would solve the problem; constructing a liberal world order was simply a matter of working out the details.

Given such views, many recent developments—from the 9/11 attacks and the war on terrorism to the financial crisis to the recent surge of angry nationalist populism on both sides of the Atlantic—came as a rude surprise. It is increasingly clear that globalization and automation have helped break up the socioeconomic model that undergirded postwar prosperity and domestic social peace, and that the next stage of capitalist development will challenge the very foundations of both the global liberal order and many of its national pillars.

In this new world disorder, the power of identity politics can no longer be denied. Western elites believed that in the twenty-first century, cosmopolitanism and globalism would triumph over atavism and tribal loyalties. They failed to understand the deep roots of identity politics in the human psyche and the necessity for those roots to find political expression in both foreign and domestic policy arenas. And

they failed to understand that the very forces of economic and social development that cosmopolitanism and globalization fostered would generate turbulence and eventually resistance, as *Gemeinschaft* (community) fought back against the onrushing *Gesellschaft* (market society), in the classic terms sociologists favored a century ago.

The challenge for international politics in the days ahead is therefore less to complete the task of liberal world order building along conventional lines than to find a way to stop the liberal order's erosion and reground the global system on a more sustainable basis. International order needs to rest not just on elite consensus and balances of power and policy but also on the free choices of national communities—communities that need to feel protected from the outside world as much as they want to benefit from engaging with it. 🌐

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# The Rise of Illiberal Hegemony

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## Trump's Surprising Grand Strategy

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*Barry R. Posen*

MARCH/APRIL 2018

**O**n the campaign trail, Donald Trump vowed to put an end to nation building abroad and mocked U.S. allies as free riders. “‘America first’ will be the major and overriding theme of my administration,” he declared in a foreign policy speech in April 2016, echoing the language of pre–World War II isolationists. “The countries we are defending must pay for the cost of this defense, and if not, the U.S. must be prepared to let these countries defend themselves,” he said—an apparent reference to his earlier suggestion that U.S. allies without nuclear weapons be allowed to acquire them.

Such statements, coupled with his mistrust of free trade and the treaties and institutions that facilitate it, prompted worries from across the political spectrum that under Trump, the United States would turn inward and abandon the leadership role it has played since the end of World War II. “The US is, for now, out of the world order business,” the columnist Robert Kagan wrote days after the election. Since Trump took office, his critics have appeared to feel vindicated. They have seized on his continued complaints about allies and skepticism of unfettered trade to claim that the administration has effectively withdrawn from the world and even adopted a grand strategy of

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**BARRY R. POSEN** is Ford International Professor of Political Science and Director of the Security Studies Program at the Massachusetts Institute of Technology.

restraint. Some have gone so far as to apply to Trump the most feared epithet in the U.S. foreign policy establishment: “isolationist.”

In fact, Trump is anything but. Although he has indeed laced his speeches with skepticism about Washington’s global role, worries that Trump is an isolationist are out of place against the backdrop of the administration’s accelerating drumbeat for war with North Korea, its growing confrontation with Iran, and its uptick in combat operations worldwide. Indeed, across the portfolio of hard power, the Trump administration’s policies seem, if anything, more ambitious than those of Barack Obama.

Yet Trump has deviated from traditional U.S. grand strategy in one important respect. Since at least the end of the Cold War, Democratic and Republican administrations alike have pursued a grand strategy that scholars have called “liberal hegemony.” It was hegemonic in that the United States aimed to be the most powerful state in the world by a wide margin, and it was liberal in that the United States sought to transform the international system into a rules-based order regulated by multilateral institutions and transform other states into market-oriented democracies freely trading with one another. Breaking with his predecessors, Trump has taken much of the “liberal” out of “liberal hegemony.” He still seeks to retain the United States’ superior economic and military capability and role as security arbiter for most regions of the world, but he has chosen to forgo the export of democracy and abstain from many multilateral trade agreements. In other words, Trump has ushered in an entirely new U.S. grand strategy: illiberal hegemony.

## **NO DOVE**

Grand strategy is a slippery concept, and for those attempting to divine the Trump administration’s, its National Security Strategy—a word salad of a document—yields little insight. The better way to understand Trump’s approach to the world is to look at a year’s worth of actual policies. For all the talk of avoiding foreign adventurism and entanglements, in practice, his administration has remained committed to geopolitical competition with the world’s greatest military powers and to the formal and informal alliances it inherited. It has threatened new wars to hinder the emergence of new nuclear weapons states, as did its predecessors; it has pursued ongoing wars against the Taliban in Afghanistan and the Islamic State (or ISIS) in Iraq and Syria with more resources and more violence than its predecessors. It



has also announced plans to invest even more money in the Department of Defense, the budget of which still outstrips that of all of the United States' competitors' militaries combined.

When it comes to alliances, it may at first glance seem as if Trump has deviated from tradition. As a candidate, he regularly complained about the failure of U.S. allies, especially those in NATO, to share the burden of collective defense. However uninformed these objections were, they were entirely fair; for two decades, the defense contributions of the European states in NATO have fallen short of the alliance's own guidelines. Alliance partisans on both sides of the Atlantic find complaints about burden sharing irksome not only because they ring true but also because they secretly find them unimportant. The actual production of combat power pales in comparison to the political goal of gluing the United States to Europe, no matter what. Thus the handwringing when Trump attended the May 2017 NATO summit and pointedly failed to mention Article 5, the treaty's mutual-defense provision, an omission that suggested that the United States might not remain the final arbiter of all strategic disputes across Europe.

But Trump backtracked within weeks, and all the while, the United States has continued to go about its ally-reassurance business as if nothing has changed. Few Americans have heard of the European Reassurance Initiative. One would be forgiven for thinking that the nearly 100,000 U.S. troops that remained deployed in Europe after the end of the Cold War would have provided enough reassurance, but after the Russian invasion of Ukraine in 2014, the allies clamored for still more reassurance, and so was born this new initiative. The ERI is funded not in the regular U.S. defense budget but in the Overseas Contingency Operations appropriation—the “spend whatever it takes without much oversight” fund originally approved by Congress for the global war on terrorism. The ERI has paid for increased U.S. military exercises in eastern Europe, improved military infrastructure across that region, outright gifts of equipment to Ukraine, and new stockpiles of U.S. equipment in Europe adequate to equip a U.S. armored division in case of emergency. At the end of 2017, Washington announced that for the first time, it would sell particularly lethal antitank guided missiles to Ukraine. So far, the U.S. government has spent or planned to spend \$10 billion on the ERI, and in its budget for the 2018 fiscal year, the Trump administration increased the funding by nearly \$1.5 billion. Meanwhile, all the planned new exercises and

deployments in eastern Europe are proceeding apace. The U.S. military commitment to NATO remains strong, and the allies are adding just enough new money to their own defense plans to placate the president. In other words, it's business as usual.

In Asia, the United States appears, if anything, to be more militarily active than it was during the Obama administration, which announced a "pivot" to the region. Trump's main preoccupation is with the maturation of North Korea's nuclear weapons program—a focus at odds with his campaign musings about independent nuclear forces for Japan and South Korea. In an effort to freeze and ultimately reverse North Korea's program, he has threatened the use of military force, saying last September, for example, "The United States has great strength and patience, but if it is forced to defend itself or its allies, we will have no choice but to totally destroy North Korea." Although it is difficult to tell if Pyongyang takes such threats seriously, Washington's foreign policy elite certainly does, and many fear that war by accident or design is now much more likely. The Pentagon has backed up these threats with more frequent military maneuvers, including sending long-range strategic bombers on sorties over the Korean Peninsula. At the same time, the administration has tried to put economic pressure on North Korea, attempting to convince China to cut off the flow of critical materials to the country, especially oil.

Across the Pacific, the U.S. Navy continues to sustain a frenetic pace of operations—about 160 bilateral and multilateral exercises per year. In July, the United States conducted the annual Malabar exercise with India and Japan, bringing together aircraft carriers from all three countries for the first time. In November, it assembled an unusual flotilla of three aircraft carriers off the Korean Peninsula during Trump's visit to Asia. Beginning in May 2017, the navy increased the frequency of its freedom-of-navigation operations, or FONOPS, in which its ships patrol parts of the South China Sea claimed by China. So busy is the U.S. Navy, in fact, that in 2017 alone, its Seventh Fleet, based in Japan, experienced an unprecedented four ship collisions, one grounding, and one airplane crash.

During his trip to Asia in November, Trump dutifully renewed U.S. security commitments, and Prime Minister Shinzo Abe of Japan seems to have decided to allow no daylight between him and the president, including on North Korea. Given Trump's litany of complaints about the unfairness of U.S. trade relationships in Asia and his effective

ceding of the economic ground rules to China, one might be surprised that U.S. allies in the region are hugging this president so closely. But free security provided by a military superpower is a difficult thing to replace, and managing relations with one that sees the world in more zero-sum economic terms than usual is a small price to pay.

The Trump administration has increased its military activities across the Middle East, too, in ways that should please the critics who lambasted Obama for his arm's-length approach to the region. Trump wasted no time demonstrating his intent to reverse the mistakes of the past. In April 2017, in response to evidence that the Syrian government had used chemical weapons, the U.S. Navy launched 59 cruise missiles at the air base where the attack originated. Ironically, Trump was punishing Syria for violating a redline that Obama had drawn and a chemical weapons disarmament agreement that Obama had struck with Syria, both of which Trump pilloried his predecessor for having done. Nevertheless, the point was made: there's a new sheriff in town.

The Trump administration has also accelerated the war against ISIS. This Pentagon does not like to share information about its activities, but according to its own figures, it appears that the United States sent more troops into Iraq and Syria, and dropped more bombs on those countries, in 2017 than in 2016. In Afghanistan, Trump, despite having mused about the mistakes of nation building during the campaign, has indulged the inexplicable compulsion of U.S. military leaders ("my generals," in his words) to not only remain in the country but also escalate the war. Thousands of additional U.S. troops have been sent to the country, and U.S. air strikes there have increased to a level not seen since 2012.

Finally, the administration has signaled that it plans to confront Iran more aggressively across the Middle East. Trump himself opposed the 2015 nuclear deal with Iran, and his advisers appear eager to push back against the country, as well. In December, for example, Nikki Haley, the U.S. ambassador to the UN, stood in front of debris from what she claimed was an Iranian missile and alleged that Tehran was arming rebels in Yemen, where Iran and Saudi Arabia are engaged in a proxy war. Behind the scenes, the Trump administration seems to have been at least as supportive of the Saudi intervention in Yemen as was its predecessor. The Obama administration lent its support to the Saudis in order to buy their cooperation on the Iran deal, and given that Trump despises that agreement, his backing of the Saudis can be understood only as an anti-Iran effort. Barring a war with North Korea—and the vortex of policy

attention and military resources that conflict would create—it seems likely that more confrontation with Iran is in the United States' future.

The Trump administration's defense budget also suggests a continued commitment to the idea of the United States as the world's policeman. Trump ran for office on the proposition that, as he put it on Twitter, "I will make our Military so big, powerful & strong that no one will mess with us." Once in office, he rolled out a defense budget that comes in at roughly 20 percent more than the 2017 one; about half the increase was requested by the administration, and the other half was added by Congress. (The fate of this budget is unclear: under the Budget Control Act, these increases require the support of the Democrats, which the Republicans will need to buy with increased spending on domestic programs.) To take but one small example of its appetite for new spending, the administration has ramped up the acquisition of precision-guided munitions by more than 40 percent from 2016, a move that is consistent with the president's oft-stated intention to wage current military campaigns more intensively (as well as with an expectation of imminent future wars).

Trump also remains committed to the trillion-dollar nuclear modernization program begun by the Obama administration. This program renews every leg of the nuclear triad—missiles, bombers, and submarines. It is based on the Cold War-era assumption that in order to credibly deter attacks against allies, U.S. nuclear forces must have the ability to limit the damage of a full-scale nuclear attack, meaning the United States needs to be able to shoot first and destroy an adversary's entire nuclear arsenal before its missiles launch. Although efforts at damage limitation are seductive, against peer nuclear powers, they are futile, since only a few of an enemy's nuclear weapons need to survive in order to do egregious damage to the United States in retaliation. In the best case, the modernization program is merely a waste of money, since all it does is compel U.S. competitors to modernize their own forces to ensure their ability to retaliate; in the worst case, it causes adversaries to develop itchy trigger fingers themselves, raising the risk that a crisis will escalate to nuclear war. If Trump were truly committed to America first, he would think a bit harder about the costs and risks of this strategy.

## **PRIMACY WITHOUT A PURPOSE**

Hegemony is always difficult to achieve, because most states jealously guard their sovereignty and resist being told what to do. But since the

end of the Cold War, the U.S. foreign policy elite has reached the consensus that liberal hegemony is different. This type of dominance, they argue, is, with the right combination of hard and soft power, both achievable and sustainable. International security and economic institutions, free trade, human rights, and the spread of democracy are not only values in their own right, the logic goes; they also serve to lure others to the cause. If realized, these goals would do more than legitimate the project of a U.S.-led liberal world order; they would produce a world so consonant with U.S. values and interests that the United States would not even need to work that hard to ensure its security.

Trump has abandoned this well-worn path. He has denigrated international economic institutions, such as the World Trade Organization, which make nice scapegoats for the disruptive economic changes that have energized his political base. He has abandoned the Paris climate agreement, partly because he says it disadvantages the United States economically. Not confident that Washington can sufficiently dominate international institutions to ensure its interests, the president has withdrawn from the Trans-Pacific Partnership, launched a combative renegotiation of the North American Free Trade Agreement, and let the Transatlantic Trade and Investment Partnership wither on the vine. In lieu of such agreements, Trump has declared a preference for bilateral trade arrangements, which he contends are easier to audit and enforce.

Pointing out that recent U.S. efforts to build democracy abroad have been costly and unsuccessful, Trump has also jettisoned democracy promotion as a foreign policy goal, aside from some stray tweets in support of anti-regime protesters in Iran. So far as one can tell, he cares not one whit about the liberal transformation of other societies. In Afghanistan, for example, his strategy counts not on perfecting the Afghan government but on bludgeoning the Taliban into negotiating (leaving vague what exactly the Taliban would negotiate). More generally, Trump has often praised foreign dictators, from Vladimir Putin of Russia to Rodrigo Duterte of the Philippines. His plans for more restrictive immigration and refugee policies, motivated in part by fears about terrorism, have skated uncomfortably close to outright bigotry. His grand strategy is primacy without a purpose.

Such lack of concern for the kinder, gentler part of the American hegemonic project infuriates its latter-day defenders. Commenting on the absence of liberal elements in Trump's National Security Strategy,

Susan Rice, who was national security adviser in the Obama administration, wrote in December, “These omissions undercut global perceptions of American leadership; worse, they hinder our ability to rally the world to our cause when we blithely dismiss the aspirations of others.”

But whether that view is correct or not should be a matter of debate, not a matter of faith. States have long sought to legitimate their foreign policies, because even grudging cooperation from others is less costly than mild resistance. But in the case of the United States, the liberal gloss does not appear to have made hegemony all that easy to achieve or sustain. For nearly 30 years, the United States tested the hypothesis that the liberal character of its hegemonic project made it uniquely achievable. The results suggest that the experiment failed.

Neither China nor Russia has become a democracy, nor do they show any sign of moving in that direction. Both are building the military power necessary to compete with the United States, and both have neglected to sign up for the U.S.-led liberal world order. At great cost, Washington has failed to build stable democratic governments in Afghanistan and Iraq. Within NATO, a supposed guardian of democracy, Hungary, Poland, and Turkey are turning increasingly authoritarian. The European Union, the principal liberal institutional progeny of the U.S. victory in the Cold War, has suffered the loss of the United Kingdom, and other member states flaunt its rules, as Poland has done regarding its standards on the independence of the judiciary. A new wave of identity politics—nationalist, sectarian, racist, or otherwise—has swept not only the developing world but also the developed world, including the United States. Internationally and domestically, liberal hegemony has failed to deliver.

### **WHAT RESTRAINT LOOKS LIKE**

None of this should be taken as an endorsement of Trump’s national security policy. The administration is overcommitted militarily; it is cavalier about the threat of force; it has no strategic priorities whatsoever; it has no actual plan to ensure more equitable burden sharing among U.S. allies; under the guise of counterterrorism, it intends to remain deeply involved militarily in the internal affairs of other countries; and it is dropping too many bombs, in too many places, on too many people. These errors will likely produce the same pattern of poor results at home and abroad that the United States has experienced since the end of the Cold War.

If Trump really wanted to follow through on some of his campaign musings, he would pursue a much more focused engagement with the world's security problems. A grand strategy of restraint, as I and other scholars have called this approach, starts from the premise that the United States is a very secure country and asks what few things could jeopardize that security. It then recommends narrow policies to address those potential threats.

In practice, restraint would mean pursuing a cautious balance-of-power strategy in Asia to ensure that China does not find a way to dominate the region—retaining command of the sea to keep China from coercing its neighbors or preventing Washington from reinforcing them, while acknowledging China's fears and, instead of surrounding it with U.S. forces, getting U.S. allies to do more for their own defense. It would mean sharing best practices with other nuclear powers across the globe to prevent their nuclear weapons from falling into the hands of nonstate actors. And it would mean cooperating with other countries, especially in the intelligence realm, to limit the ability of nihilistic terrorists to carry out spectacular acts of destruction. The United States still faces all these threats, only with the added complication of doing so in a world in which its relative power position has slipped. Thus, it is essential that U.S. allies, especially rich ones such as those in Europe, share more of the burden, so that the United States can focus its own power on the main threats. For example, the Europeans should build most of the military power to deter Russia, so that the United States can better concentrate its resources to sustain command of the global commons—the sea, the air, and space.

Those who subscribe to restraint also believe that military power is expensive to maintain, more expensive to use, and generally delivers only crude results; thus, it should be used sparingly. They tend to favor free trade but reject the notion that U.S. trade would suffer mightily if the U.S. military were less active. They take seriously the problem of identity politics, especially nationalism, and therefore do not expect other peoples to welcome U.S. efforts to transform their societies, especially at gunpoint. Thus, other than those activities that aim to preserve the United States' command of the sea, restraint's advocates find little merit in Trump's foreign policy; it is decidedly unrestrained.

During the campaign, Trump tore into the United States' post-Cold War grand strategy. "As time went on, our foreign policy began to make less and less sense," he said. "Logic was replaced with foolish-

ness and arrogance, which led to one foreign policy disaster after another.” Many thought such criticisms might herald a new period of retrenchment. Although the Trump administration has pared or abandoned many of the pillars of liberal internationalism, its security policy has remained consistently hegemonic. Whether illiberal hegemony will prove any more or any less sustainable than its liberal cousin remains an open question. The foreign policy establishment continues to avoid the main question: Is U.S. hegemony of any kind sustainable, and if not, what policy should replace it? Trump turns out to be as good at avoiding that question as those he has condemned. 🌐



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# The Unconstrained Presidency

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## Checks and Balances Eroded Long Before Trump

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*James Goldgeier and Elizabeth N. Saunders*

SEPTEMBER/OCTOBER 2018

**I**n the age of Donald Trump, it often feels as though one individual has the power to chart the United States' course in the world all by himself. Since taking office as U.S. president, Trump has made a series of unilateral decisions with enormous consequences. He walked away from the Trans-Pacific Partnership, the Paris agreement on climate change, and the Iran nuclear deal. He imposed tariffs on Canada, China, Mexico, and the European Union. In June, he single-handedly upended the G-7 summit by insulting Canadian Prime Minister Justin Trudeau and withdrawing the United States from the group's joint communiqué. In July, his European travels produced more diplomatic fireworks, with a NATO summit in Brussels that raised questions about his commitment to the organization—before his deferential press conference with Russian President Vladimir Putin.

Each choice has brought howls of outrage—but little real pushback. Congress, for example, has proved unable to block the president from starting a trade war with China and with U.S. allies. For all of Trump's talk of a shadowy “deep state” bent on undermining his every move,

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**JAMES GOLDGEIER** is Professor of International Relations at American University and a Visiting Fellow at the Council on Foreign Relations.

**ELIZABETH N. SAUNDERS** is an Associate Professor in the School of Foreign Service and a Core Faculty Member in the Security Studies Program at Georgetown University.

the U.S. government's vast bureaucracy has watched as the president has dragged his feet on a plan to deter Russian election interference. Even the United States' closest allies have been unable to talk Trump out of damaging and potentially withdrawing from institutions of the liberal international order that the country has led for decades. How can a political system vaunted for its checks and balances allow one person to act so freely?

In reality, the problem goes well beyond Trump, and even beyond the well-documented trend of increasing presidential power. Constraints on the president—not just from Congress but also from the bureaucracy, allies, and international institutions—have been eroding for decades. Constraints are like muscles: once atrophied, they require bulking up before the competitor can get back in the game. Trump did not create the freedom of action he is now routinely displaying. He has merely revealed just how difficult it is to prevent it.

In Congress, the combination of declining foreign policy expertise among members and increasing political polarization has reduced the ability of legislators to supervise the executive branch even if they had the appetite to do so. The bureaucracy, meanwhile, has lost its incentive to cultivate and wield expertise as decision-making has become centralized in the White House and congressional action and oversight on foreign policy have declined. And U.S. allies, for their part, have become less able to check the president's foreign policies as the alliances have become ensnared in U.S. partisan politics. Similarly, the post-Cold War era has frequently seen presidents circumvent international institutions.

Going forward, any attempts to stem the growth of presidential power will have to confront not just the damage done by Trump but also the deeper problem that damage has exposed: that the bodies charged with constraining presidential power have been steadily losing both their willingness and their capacity to rein in presidents. Many have written eloquently, particularly since 9/11, about the need for checks on presidential power. But the reality is that Congress is in no shape to reclaim its role in foreign policy—and neither are the other traditional sources of constraint on U.S. presidents. It may take a major shock, such as the rise of China, to reboot the system.

## **LEGISLATORS GONE AWOL**

The Constitution grants Congress the ability to constrain the president on issues such as trade and the use of force. Although formal votes on

presidential foreign policy are rare, the legislative branch can act as a check on the president in several other, more informal ways. Senators and representatives can hold hearings that generate debate and expose decisions to public scrutiny. They can also force the president to anticipate congressional reactions to policy, leading him to check himself before Congress checks him—an important, if often invisible, form of oversight. For example, he might shape the details of a controversial international agreement to make sure members of Congress will not balk.

But Congress' oversight of U.S. foreign policy has declined markedly since the early Cold War, and especially since the mid-1990s. As the political scientist Linda Fowler has put it, "Something is amiss in the Senate and its national security committees." The two Senate committees tasked with oversight of foreign policy and national security—the Foreign Relations Committee and the Armed Services Committee—have held substantially fewer hearings (both public and private) over time, resulting in far less supervision of major foreign policy endeavors, such as the wars in Afghanistan and Iraq, than was the case for Cold War–era military interventions.

Why this decrease? The rise of partisanship is one important reason. Although foreign policy has never been fully isolated from politics, political polarization began to rise in the 1970s, and it increased sharply in the 1990s. Today, members of Congress reflexively support their own party. In periods of unified government, this means extreme deference to the president. In periods of divided government, it means congressional gridlock. Neither scenario yields much in terms of congressional oversight.

Polarization also gives presidents reason to simply ignore Congress when making foreign policy. As the political scientist Kenneth Schultz has argued, with members less willing to cross the aisle, it is "more difficult to get bipartisan support for ambitious or risky undertakings, particularly the use of military force and the conclusion of treaties." And so presidents opt for alternatives such as executive agreements over formal mechanisms such as ratified treaties. Consider the Iran nuclear deal. In 2015, President Barack Obama, concerned that he could not get a treaty with Iran past the Republican-controlled Congress, chose to make an executive agreement (which made it all too easy for Trump to tear up the deal later).

Another trend that has sapped Congress' influence is the decline of congressional expertise on foreign policy and national security. Simply

put, legislators used to know more about foreign policy than they do now. Greater expertise strengthened Congress' formal and visible role, since committees could engage in greater oversight of the executive branch. Expertise also reinforced Congress' invisible means of constraining presidential power. Presidents had to think about how a seasoned committee chair or member would assess a policy. During his initial escalation of the Vietnam War, for example, President Lyndon Johnson was careful to maintain the support of powerful committee chairs, such as Senator J. William Fulbright, who led the Senate Foreign Relations Committee from 1959 to 1974. Fulbright shepherded the Gulf of Tonkin Resolution through the Senate in 1964, but two years later, his probative hearings helped shift public opinion against the war.

Congressional expertise also led to serious, bipartisan policies that could force the president's hand. A good example is the Cooperative Threat Reduction Program, an initiative for safely securing and dismantling weapons of mass destruction in the former Soviet Union. Senator Sam Nunn, a Democrat from Georgia, and Senator Richard Lugar, a Republican from Indiana—two defense stalwarts who had been deeply involved in arms control agreements during the Cold War—proposed it in 1991 as an amendment to the annual defense bill. The George H. W. Bush administration initially opposed the legislation because it diverted \$500 million previously authorized for other purposes, but Nunn and Lugar prevailed, backed up by 86 votes in the Senate. They were able to pass their bill because the existing polarization was still manageable and because both senators were respected experts on defense and foreign policy.

The program was a high-water mark of expertise-informed legislation. In the years since, legislators have become less and less interested in the details of foreign policy. In 1994, a small group of newly elected congressional Republicans even proudly declared that they did not own passports.

Several factors explain the decline in expertise. Changes in the way senators now divide up committee roles, by increasing the number of committees they sit on, have led to greater breadth at the expense of depth. The media, facing fragmentation and declining budgets, have paid less attention to the crucial committees, especially the Senate Foreign Relations Committee and the House Foreign Affairs Committee, thus diminishing their value as reputation burnishers on Capitol Hill. Increased turnover has led to less seniority, particularly on

the Senate Foreign Relations Committee, reducing the number of specialists to whom other senators can look for leadership on complex issues. Add in polarization and gridlock, which, by reducing overall congressional activity, also reduces the incentives to develop specialties, and the result is a Congress with decidedly less expertise.

An inflection point in the long-term decline of congressional oversight came after 9/11, when Congress passed the Authorization for Use of Military Force, a measure intended to combat terrorism but that presidents ended up interpreting broadly. For nearly 17 years, the AUMF has served as the legal justification for expanding military operations across the Middle East, many of them only tenuously related to the original intent. But legislators have shown little appetite for seeking a new AUMF, which would constrain the president when it comes to the many counterterrorism missions the United States now conducts in places such as Somalia, Syria, and Yemen. That's because the status quo actually suits many members of Congress. It lets them avoid voting on military operations—always risky, since they can be held accountable for their decision on the campaign trail—and it allows them to fixate on the legality of the operation without having to take a position on its wisdom.

Obama's decision in August 2013 to seek congressional authorization for the use of force in Syria in response to the regime's use of chemical weapons may at first glance look like a sign of deference. But it actually exposed how weak legislators' war-making powers had become. Unable to gain backing even from the United Kingdom, Obama announced that he would seek congressional authorization before launching an attack. Apart from a few Republicans who insisted that the president could not strike Syria without legislative approval (something they would not insist on later when Trump carried out strikes in 2017), most members were visibly eager to avoid being drawn into the debate—thereby proving how much Congress had been sidelined. As Ben Rhodes, Obama's deputy national security adviser, confirmed in his memoir, the president sought a vote knowing he might lose, which would firmly demonstrate legislators' lack of support for greater U.S. military involvement in the Middle East. (As events played out, the issue became moot when, at Russia's prodding, Syria pledged to give up its chemical weapons.)

Congress is equally reluctant to stand up to the president on trade. Despite misgivings over Trump's protectionist measures, Democratic and Republican legislators have essentially given up on the issue. In

June, Bob Corker, the Tennessee Republican who chairs the Senate Foreign Relations Committee, proposed a bill that would require the president to seek congressional approval for tariffs enacted in the name of national security. But he has not been able to gain sufficient support for the measure from fellow Republicans, who, with midterm elections looming, are reluctant to cross Trump.

There still are some dedicated foreign policy hands willing to fight to give the legislative branch a voice. In 2017, for example, Congress managed to impose additional sanctions on Russia against the president's wishes. But overall, Congress has relinquished its authority on foreign policy and trade to the executive branch—and would have trouble reclaiming it even if it wanted to.

### **THE BUREAUCRACY SIDELINED**

The United States' emergence as a global power a century ago required the development of a strong civil and foreign service to manage relations with other nations. Knowledgeable and experienced bureaucrats came to serve as ballast against impulsive changes. Naturally, presidents have found it frustrating that they cannot get the bureaucracy to do their bidding. President Harry Truman, for example, complained that the “striped pants boys” at the State Department were failing to implement his policies. But in recent decades, some of the same forces that have weakened Congress have also undermined the bureaucracy's ability to check presidential power.

Ever since Truman signed the National Security Act of 1947, which created the National Security Council, presidents have tried to sideline the career bureaucrats at the State Department in favor of a more politically attuned White House cadre on the NSC staff. Building on President John F. Kennedy's establishment of a more White House-centric foreign policy process, Henry Kissinger, as President Richard Nixon's national security adviser, cut the bureaucracy out of important initiatives, such as the opening to China and arms control talks with the Soviet Union. His counterpart during the Carter administration, Zbigniew Brzezinski, ensured that White House dominance over foreign policy continued, for example, by keeping the State Department out of negotiations in 1978 over the normalization of relations with China.

Although President Ronald Reagan reempowered the State Department for a brief period under the leadership of George Shultz—in part by shuffling through six national security advisers in his two

terms—the pendulum swung back under President George H. W. Bush. His powerful secretary of state, James Baker, sidelined his own bureaucracy and relied on a handful of political appointees to manage such policies as German reunification and the Israeli-Palestinian peace process. The following three administrations steadily expanded the NSC, whose professional staff doubled in size with each presidency. From just 50 staffers under George H. W. Bush, it grew to 100 under Bill Clinton, 200 under President George W. Bush, and 400 under Obama. No longer was the NSC functioning merely as a coordinator of policy; it was also implementing it, largely at the expense of career officials in the State Department. Even officials at the Pentagon came to feel overpowered. Former Secretary of Defense Robert Gates complained of “White House micromanagement of military affairs.”

Presidents may find a more powerful NSC useful, but it weakens the bureaucracy’s ability to provide strong, independent expertise. Political insiders chosen by the president to run White House operations because of their loyalty may have little experience crafting policy. Clinton, for example, came into office after 12 years of Republican administrations; his relatively inexperienced White House team struggled mightily on policy regarding Bosnia, Haiti, and Somalia. But the more that policies are crafted and implemented by the White House, the less incentive bureaucrats have to use their expertise to fill the void. If bureaucrats aren’t given a hand in crafting and implementing policy, why bother?

Far from stopping presidents from steadily drawing the machinery of foreign policy closer to the Oval Office, Congress has played its own role in the erosion of the bureaucracy as a check. With the increasing importance of quick presidential action during the Cold War, Congress acquiesced in the growth of presidential power, not only over itself but also over the bureaucracy. As the political scientists Sean Gailmard and John Patty have argued, if Congress could not restrain the president, their next best option was “to ensure that the president’s policy choices [were] supported by trustworthy advice that the president [would] heed.” If the president was going to centralize foreign policy and listen mainly to officials in the White House, Congress at least wanted the chief executive to make informed decisions. So it has done little to restrain the growth of the NSC staff.

There is, however, one part of the U.S. government bureaucracy that has seen growth rather than decline: the Pentagon. Especially since 9/11, U.S. foreign policy has been steadily militarized, and Congress

has funded the Pentagon at higher and higher levels without increasing oversight concomitantly. The main victim is the State Department. In Africa, Latin America, and the Middle East, regional military commanders can eclipse U.S. ambassadors in bilateral relationships. The military does have an impressive ability to get things done quickly, but the risk is that policy will tilt too much toward using force to solve problems. As Secretary of Defense James Mattis has said, “If you don’t fund the State Department fully, then I need to buy more ammunition.”

Despite these trends, the State Department was able to maintain its deep reservoir of expertise for many years, which gave it some power to shape presidential decision-making. But under Trump’s first secretary of state, Rex Tillerson, the executive branch’s disdain for the State Department reached its apex. Positions at the undersecretary and assistant secretary levels were left vacant. In December 2017, Barbara Stephenson, a former ambassador and president of the American Foreign Service Association, reported that the U.S. Foreign Service officer corps had lost 60 percent of its career ambassadors since January of that year. And despite congressional outcry, Tillerson refused to spend funds that had already been allocated for countering Russian and terrorist propaganda, and he even supported further cuts to his own department’s budget (one thing Congress did not allow). Tillerson’s successor, Mike Pompeo, announced in May that he would lift the State Department’s hiring freeze and bring its “swagger” back, but as of July, it remained to be seen whether he would fulfill that promise.

## **NO ALLIES TO LEAN ON**

Amid the declining power of Congress and the bureaucracy at home, one important check on presidents’ foreign policies has been consultation with allies. Following World War II, the United States coordinated closely with its allies on major decisions, often acceding to their domestic needs. In part, such deference was driven by the necessity to maintain unity in the face of the Soviet threat. Presidents understood that if the most powerful country in the world flexed its muscle without regard to the concerns of others, it would create a backlash. And so less powerful allies were largely able to act as a check on American power.

In the late 1940s, during negotiations around implementation of the Marshall Plan, Truman allowed the United Kingdom to maintain privileged trading access to its colonies and dominions for the sake of avoiding a rift in the transatlantic alliance. In the late 1970s, the United



States reassured Western European allies through NATO's "dual-track" decision, whereby the United States would deploy long-range theater nuclear forces in Europe while pursuing arms control negotiations with the Soviets. And in the aftermath of Iraq's 1990 invasion of Kuwait, Baker went around the world meeting with every head of state or foreign minister whose country had a seat on the UN Security Council (as well as with those of many countries that ended up contributing troops to the eventual operation), while George H. W. Bush worked the phones to secure passage of a UN resolution authorizing the use of military force if Iraq did not leave Kuwait. As Baker later acknowledged, Bush's decision to stop short of capturing Baghdad as the U.S. military was routing Iraqi forces was partly due to concerns that doing so would break apart the international coalition.

But in the 1990s, the United States increasingly came to believe that as the lone superpower, it had both the ability and the duty to shape the world to its liking. By the end of the decade, U.S. allies felt tossed around, as exemplified by French Foreign Minister Hubert Védrine's bitter reference to the United States as a "hyperpower." The UN, too, came to constrain U.S. power less and less, in part thanks to the efforts of congressional Republicans who deeply opposed the institution.

In the run-up to the 1999 war in Kosovo, Clinton bypassed the UN altogether because he knew that China and Russia would veto a resolution, but he still led the U.S. military operation through NATO in order to enhance its legitimacy. The United States willingly ran all target options through a vetting process within the North Atlantic Council, NATO's political decision-making body, and the French, in particular, slowed down a number of American requests.

After George W. Bush came into office, he took unilateralism to new heights. But he did seek minimal allied cover for the invasion of Iraq, and he even attempted to secure a second UN resolution, in part to help British Prime Minister Tony Blair domestically. A first resolution had been passed in late 2002 giving Saddam Hussein a final chance to comply with Iraq's disarmament agreements but not specifically authorizing war against Iraq. And when France and Russia said they would veto a second resolution, Bush declared that he was acting with a "coalition of the willing." Going it completely alone was a bridge too far. Still, the invasion is rightly seen as a clear example of the United States ignoring some of its closest allies. Part of the resulting fallout was the politicization of U.S. alliances, with American supporters of the war criticizing those

countries that stayed out (as when a Republican legislator overseeing the House cafeteria renamed French fries “freedom fries”).

Obama ran on a platform of repairing the United States’ relationships, and as president, he brought allies and international institutions more squarely back into the conduct of U.S. foreign policy. But the damage had already been done. No longer were alliances basic commitments to be upheld regardless of who occupied the Oval Office; increasingly, they were objects of partisan debate. When Obama decided to intervene in Libya through NATO in 2011, with UN Security Council authorization, Republicans, instead of championing the inclusion of allies, criticized him for “leading from behind,” as one of his advisers characterized the strategy. And later, when he negotiated the nuclear deal with Iran, the support of U.S. allies did little to bring Republicans on board, showing the declining effect of allies as a domestic consensus builder.

If alliances continue to be viewed in such partisan terms, as the political scientist Daniel Drezner has argued, “the stock of allies will rise or fall depending on the partisanship of who is in the White House.” This would damage not only the visible, legitimizing role of alliances, whereby the public is more likely to support foreign policy initiatives that are backed by allies or multilateral institutions, but also their quiet, consultative function. During crises, allies can serve as both useful checks and valuable resources. But some future presidents may find themselves dangerously unfettered by allies. Others may want to turn to them, only to find that they are unwilling to pick up the phone.

## **THE FUTURE OF CHECKS AND BALANCES**

U.S. presidents have long had more leeway in foreign policy than in domestic policy, but their control has never been total. Yet since the end of the Cold War, checks and balances that once limited presidential power in matters of foreign policy have been eroding. Trump’s unconstrained exercise of executive power did not come out of nowhere: it was made possible by the culmination of long-term trends. As a president who seems distinctly uninterested in the views of others, Trump could hardly have asked for a more suitable system.

Many of the constraints on foreign policy are invisible. Presidents will anticipate pushback from Congress and restrain themselves accordingly. They will worry about generating enough international support and offer concessions to allies in closed-door meetings. The invisibility of

these constraints makes them difficult to appreciate until they are needed. What Trump is exposing is that these constraints are already largely unavailable, and they cannot be reconstituted instantaneously.

Can anything be done? The end of the Cold War unleashed the power of the American presidency. It may take the rise of China as a peer competitor for the American people and their leaders to realize that in order to make better foreign policy, the United States needs the wisdom and restraint offered by a Congress and a bureaucracy that have real power and serious expertise, as well as allies and international institutions whose utility is valued. The rising threat that China poses to U.S. interests could lead to a revival of congressional expertise in foreign policy, support for strengthening the United States' diplomats, and a realization that allies and international institutions enhance U.S. power in managing the threat.

Short of that, Congress will likely continue to have little knowledge of or interest in foreign policy, the White House will still fail to take full advantage of the talent of the U.S. diplomatic corps, and presidents will go on ignoring the views of even close allies. This is now the unchained, unconstrained presidency. It didn't start with Trump, but it has exploded since he took office, and Americans will be living with its consequences for a long time to come. 🌐

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# The Age of Great-Power Competition

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How the Trump Administration  
Refashioned American Strategy

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*Elbridge A. Colby and A. Wess Mitchell*

JANUARY/FEBRUARY 2020

**U**.S. foreign policy is, by most accounts, in disarray. Headlines—including in these pages—proclaim the death of global American leadership. Famous columnists send regular dispatches from the frontlines of U.S. President Donald Trump’s supposed campaign against the postwar liberal order. The damage to Washington’s standing in the world, we are told, is irreparable.

But step back from the day-to-day commotion, and a different picture emerges. In truth, the United States is gearing up for a new era—one marked not by unchallenged U.S. dominance but by a rising China and a vindictive Russia seeking to undermine U.S. leadership and refashion global politics in their favor.

This shift in Washington’s focus has been some time coming. Elements of it emerged, mostly in a reactive form, under President Barack Obama. The Trump administration has gone one important step further, recognizing that great-power competition warrants rebuilding U.S. foreign policy from the ground up, and it has based its formal strategy documents on that recognition. When future historians look

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**ELBRIDGE A. COLBY** is a Principal at the Marathon Initiative. He served as U.S. Deputy Assistant Secretary of Defense for Strategy and Force Development from 2017 to 2018.

**A. WESS MITCHELL** is a Principal at the Marathon Initiative. He served as U.S. Assistant Secretary of State for European and Eurasian Affairs from 2017 to 2019.

back at the actions of the United States in the early twenty-first century, by far the most consequential story will be the way Washington refocused its attention on great-power competition. Beneath today's often ephemeral headlines, it is this shift, and the reordering of U.S. military, economic, and diplomatic behavior that it entails, that will stand out—and likely drive U.S. foreign policy under presidents from either party for a long time to come.

### **THE COSTS OF INACTION**

For years, American policymakers and analysts have argued about what China's rise and Russia's resurgence mean for U.S. interests. Since their introduction in the most recent National Security and National Defense Strategies, the words "great-power competition" have circulated widely enough to become a faddish catch phrase. But by now, the nature of the challenge, as an empirical fact, should be clear: the United States today faces rivals stronger and far more ambitious than at any time in recent history. China—seeking hegemony in the Indo-Pacific region first and global preeminence thereafter—is likely to become the most powerful rival that the United States has ever faced in its history. Russia may fall short of being a peer competitor but has proved capable of projecting power in ways few anticipated at the close of the Cold War. Today, it is intent on resurrecting its ascendancy in parts of eastern Europe that once fell within its sphere of influence and hopes to speed up the end of Western preeminence in the world at large. Its disruptive potential lies in part in its ability, through self-interested moves, to bring about systemic crises that will benefit Chinese power in the long term.

Until recently, Washington was not giving much thought to how it could meet these challenges. Such was the extent of the United States' economic and military dominance that, for a whole generation following the collapse of the Soviet Union, neither Democratic nor Republican administrations took seriously the possibility of facing another peer competitor. Great-power rivalries were, in those heady days, a thing of the past; the very language of geopolitics was an anachronism. Other major powers were instead partners in waiting in the fight to tackle problems of the "global commons," from nuclear proliferation to terrorism to climate change.

China's and Russia's actions slowly gave the lie to this sanguine outlook. As China became pivotal to global commerce, it did not so

much change its discriminatory economic practices—forced technology transfers, mandatory joint ventures, and outright intellectual property theft—as cement them. It complemented this with a military buildup of historic scale, aimed specifically at dominating Asia and, in the long run, at projecting power throughout the world, and with a massive effort to expand its influence through the Belt and Road Initiative and related projects. Russia, meanwhile, rebuilt its military, invaded Georgia, annexed Crimea, initiated a festering insurgency in eastern Ukraine, and began a systematic campaign to resurrect its military, economic, and diplomatic influence in Africa, Latin America, and the Middle East.

And yet most people in Washington long refused to acknowledge the new reality. Instead, American leaders continued to herald an “era of engagement” with Moscow and talked up Beijing’s potential as a “responsible stakeholder” in the international system. The former found expression in the “reset” with Russia in 2009, just months after Moscow’s invasion of Georgia, and the latter took the form of repeated efforts to deepen relations with Beijing and even an aspiration among some to establish a U.S.-Chinese “G-2” to lead the international community. But China’s brazen militarization of islets in the South China Sea and its increasing assertiveness beyond eventually forced Washington to reevaluate its assumptions about Beijing, and Russia’s seizure of Crimea in 2014 put to rest what was left of the so-called reset. By the end of the Obama administration, it was clear that the United States’ course was seriously off.

The resulting policy changes were no exercise in American strategic foresight; they were reactive, *ex post facto* adjustments. Considerable damage had already been done. Prizing the appearance of stability over the pursuit of definable national interests, the United States had for years ignored China’s flagrant theft of U.S. intellectual property—not to mention government secrets—and Beijing’s slow-motion takeover attempt in the South China Sea. In the hopes of recruiting Russia as a partner in upholding an international status quo that Russian President Vladimir Putin manifestly disdained, Washington had courted and unwittingly emboldened the Kremlin on its path of territorial revision while unnerving frontline NATO allies in eastern Europe. The cost for the United States was steep, with allies in East Asia and Europe beginning to doubt that Washington was willing to stand up for itself, let alone for them.

## **COURSE CORRECTIONS**

It was time to call a spade a spade. The Trump administration, more realistic and blunter than its predecessors, did just that. “Trump,” as Henry Kissinger pointed out in the *Financial Times* in 2018, “may be one of those figures in history who appears from time to time to mark the end of an era and to force it to give up its old pretenses.” Dispensing with the paradigm of unipolarity, the new government created an opening to articulate a new grand strategy. In the 2017 National Security Strategy, the 2018 National Defense Strategy, and their ancillary regional strategies for the Indo-Pacific and European theaters, the United States made clear that it now saw relations with China and Russia as competitive and that it would focus on maintaining an edge over these rivals. As both then Secretary of Defense James Mattis and then National Security Adviser H. R. McMaster made clear, great-power competition would now be the primary focus of U.S. national security.

The idea behind this shift is not to be blindly confrontational but to preserve what has been the central objective of U.S. foreign policy since the end of World War II: the freedom of states, particularly U.S. allies, to chart their own courses without interference from a domineering regional hegemon. As articulated in the Trump administration’s strategy statements, that vision is deliberately ecumenical: it applies both to the Asian nations that find themselves under growing economic and military pressure from Beijing and to the federating heart of the European continent and the more loosely affiliated states on its fringes. But faced with a rising and enormously powerful China and an opportunistically vengeful Russia, the United States will realize this vision of a free and open world only if it ensures its own strength and economic vitality, maintains an edge in regional balances of power, and communicates its interests and redlines clearly.

In many respects, the U.S. Department of Defense is the furthest along in putting that agenda into practice. In its National Defense Strategy, in its 2019 *Indo-Pacific Strategy Report*, and through its public statements, the U.S. military has made clear that its overriding concern today is how to effectively defend the likes of Taiwan and the Baltic states against a potential Chinese or Russian attack, especially one based on a *fait accompli* strategy, which involves seizing vulnerable territory, digging in, and making any counterattack too costly to envisage. In anticipation of such attacks, the Pentagon is shifting from the playbook it has used ever since Operation Desert Storm three decades ago—

slowly and methodically surging forces to a threatened area and only counterattacking after total U.S. dominance is assured—to a force that can fend off Chinese and Russian attacks from the very beginning of hostilities, even if it never attains the kind of dominance the United States was once able to gain in such places as Serbia and Iraq. The Pentagon's budget requests have slowly begun to shift accordingly. Short-range fighter jets and bulky amphibious vessels, both vulnerable to enemy attacks, are making way for stealthier long-range bombers and submarines, unmanned ships and aircraft, long-range ground-based missiles and artillery, and large stocks of precise, penetrating munitions. The military is also experimenting with how to use this new hardware—what the new force should look like, how it should operate, and where.

The shift in the economic arena has been just as dramatic. Until a few years ago, U.S. officials regularly argued that the United States could not afford turbulence in the U.S.-Chinese economic relationship. Stability with Beijing, it seemed, was too valuable to jeopardize by demanding that U.S. companies be treated fairly. Today, the Trump administration—acting with considerable bipartisan support—is levying tariffs on Chinese imports to induce Beijing to cease its market-distorting trade practices or, failing that, to at least have the prices of those imports reflect the costs of those unfair practices for U.S. companies and workers. Some have rightly pointed out that these penalties are causing the United States' middle and working classes pain. But so, too, have China's unfair trade practices, and further inaction would have only made things worse. U.S. economic pressure, by contrast, has helped put urgently needed trade policy adjustments on the agenda.

A similar process has played out in Europe. The United States long hesitated to confront the European Union about its one-sided tariff and nontariff barriers against U.S. products, even as trade deficits mounted. Unwilling to accept that status quo, the Trump administration has tried to achieve by shock therapy what earlier successive administrations failed to obtain with finesse and gradualism. But the collateral damage of this aggressive approach has been significant, with potential spillover effects for the transatlantic relationship that risk undermining the common push against China.

In parallel, the United States is sharpening the powerful commercial tools at its disposal. The Trump administration and Congress have overhauled the Overseas Private Investment Corporation to provide alternatives to Chinese financing among the vulnerable states of both



Asia and Europe. The Better Utilization of Investments Leading to Development, or BUILD, Act, which passed in October 2018, offers countries financing alternatives to the golden handcuffs of Beijing's Belt and Road Initiative. More still may follow. The bipartisan EQUITABLE Act, introduced by leading members of Congress, would require Chinese companies to follow the same disclosure rules as U.S. firms do to be listed on U.S. stock exchanges. Powerful legislators of both parties have said they will revoke Hong Kong's economic and trading privileges in the United States if Beijing violates its commitment to the region's autonomy. And U.S. officials are, at long last, actively warning other countries about Chinese telecommunications investments that could offer Beijing access to, and leverage over, their sensitive technologies.

Priorities have changed in the diplomatic arena, too. After decades of a disproportionate focus on the Middle East, the 2017 National Security Strategy and the 2018 National Defense Strategy came as long-overdue correctives. Asia and Europe are where the greatest threats to U.S. power today lie, the documents argue, and the United States' central objective should be to keep large states in both regions from gaining so much influence as to shift the local balance of power in their favor. This is a welcome departure from every National Security Strategy since the end of the Cold War, each of which downplayed major-power competition in some way or another.

In practice, two diplomatic initiatives stand out. The first is the Trump administration's effort to balance against powerful rivals with the help of larger and more capable coalitions. In Europe, this yielded \$34 billion in increased European defense spending in the past year alone, even from a reluctant Germany. In Asia, the United States has made clear that it will defend Philippine aircraft and vessels in the South China Sea, has increased its diplomatic and military support for Taiwan, and has deepened its political and military relations with India and Vietnam—all counterparts that share Washington's apprehension about Chinese aspirations to regional hegemony.

Second, the United States is leveraging its economic and political influence in regions that it neglected until recently, ramping up its engagement and aid in several places where China and Russia have been gaining ground. It has stepped up its diplomatic presence in central Europe, the western Balkans, and the eastern Mediterranean, where the vacuum left by an absent United States allowed China and Russia to exploit local political fissures and promote authoritarian

politics. In several of the countries in these regions, the United States has increased its support for good governance and the fight against corruption, introduced initiatives to counter Russian propaganda, expanded youth and cultural exchanges, and warned allies and partners about the long-term risks of aligning with Beijing and Moscow. In Asia, Washington has upped its development capacities to compete with Beijing's by founding the International Development Finance Corporation and making new financing available through the BUILD Act. The United States is also promoting good governance and anti-corruption efforts in the region, particularly through the Indo-Pacific Transparency Initiative, and is publicly challenging China's treatment of its Tibetan and Uighur minorities. It is also paying more attention to Pacific states such as Micronesia, Papua New Guinea, and the Solomon Islands, which are particularly susceptible to Chinese pressure.

None of this is to diminish the importance of the day-to-day turmoil in Washington or to defend the administration's every policy. Engaging in a war with Iran, sustaining a large military presence in Afghanistan, or intervening in Venezuela, as some in the administration want to do, is antithetical to success in a world of great-power competition. And if it pushes its allies too far, Washington will risk undermining the single greatest comparative advantage it has over its rivals. Nor is the United States on course yet to compete successfully—on the contrary, the progress thus far has been uneven and halting. Nonetheless, the country now has a template for reorienting its foreign policy that enjoys bipartisan support and is likely to endure, at least in its fundamental tenets, in future administrations.

## **WHAT MATTERS NOW**

This is where things now stand for Washington. The United States has signaled its willingness and ability to adopt a more competitive approach toward its rivals, militarily, economically, and diplomatically. At home, that course correction has enjoyed far more bipartisan support than is often appreciated; the administration's tough approach to China, in particular, has the backing of most members of Congress, Democratic and Republican. Likewise, after years of vacillation, there is finally a bipartisan consensus that the threat from the Kremlin is serious and must be countered. Abroad, Washington's new message has led to important adjustments. European allies have increased their defense outlays and maintained a united front against Russia with

sanctions; U.S. defense relations with India, Japan, and Poland have warmed considerably; and multinational companies are diversifying their supply chains away from China—to name just a few examples.

Yet this is only the beginning of what is likely to be a decades-long effort. China shows no sign of giving up its pursuit of ascendancy in Asia. Moscow looks no more likely to mend ties with the West; if anything, it is deepening its partnership with Beijing. The United States, then, must prepare for a generational effort.

To thwart China's bid for ascendancy in Asia and beyond, the United States must maintain favorable regional balances of power with yet far more urgency. Building and sustaining the necessary coalitions in Asia and Europe should be at the heart of its strategy. To be clear, this will require more than just polite requests and reassurances. Because the United States can hardly pretend to be able to balance both China and Russia by itself, it must ask more of its allies and new partners, with insistence and real pressure if need be. At the same time, if Washington generates so much political dissonance as to undermine alliance structures from within, it will put at risk its efforts to encourage greater material contributions from its allies.

Nonetheless, the need for greater material support is urgent. Washington's post-Cold War alliance architecture still reflects arrangements formed during the unipolar era, when the United States needed little help to underwrite the security of its partners. With a few noble exceptions, such as Poland and South Korea, Washington's allies are lightly armed, if not completely disarmed, especially compared with China and Russia. Japan will play a central role in any successful defense posture vis-à-vis China, yet its defense spending is approximately the same today as it was in 1996, whereas China's expenditures have increased by an order of magnitude. Taiwan—a place more threatened by the People's Liberation Army than anywhere else—has hardly increased its defense spending in the last 20 years. In Europe, much of the Russian threat to eastern NATO members could be alleviated if Germany fielded a mere fraction of the 15 active and ready reserve divisions it boasted in 1988. Today, Berlin can barely summon a single one. Figuring out how to induce U.S. allies to do more in an era when the United States has a more than \$23 trillion national debt and can no longer do everything itself—and doing so without putting too much strain on these alliances—will be one of the major challenges of the years ahead.

Another question is what exact form the United States' coalitions should take, particularly in Asia. The United States need not replicate NATO in the region; the point is to form a coalition that checks China's aspirations to regional hegemony. Such a coalition could be a mixture of formal alliances (Australia, Japan, the Philippines, and South Korea come to mind), quasi alliances (Taiwan), and deepening partnerships that do not involve formal security guarantees (India and Vietnam). Washington's ties to New Delhi and Tokyo will anchor the coalition, but sustaining it in the face of a powerful China will require the United States to play an active leading role. Meanwhile, the smaller and more vulnerable states of Southeast Asia will likely be the focus of the strategic competition with China.

In Europe, the United States already possesses a highly serviceable framework, NATO, which it needs to preserve and update to better match the scale of the challenge from China and Russia. Since the Russian land grab in Ukraine, the alliance has modified its command structures and begun to adapt its force posture, which remains trapped in the amber of 1989. But more change is needed to deter future attempts by Russia to create *faits accomplis* along its border. In particular, the United States needs forces that can deploy quickly enough to contest any Russian land grab from the outset. And given how many U.S. resources will be tied down in Asia, European NATO allies will need to augment their militaries' ability to integrate with U.S. forces to blunt a Russian assault.

When it comes to galvanizing European resistance against predatory Chinese trade practices and ill-advised infrastructure partnerships, Washington's efforts have been less successful, marred in part by trade differences with Europe. Yet it is hard to overstate how indispensable transatlantic unity on this front is, and both sides would do well to resolve their squabbles. European policymakers should recognize the long-term geopolitical consequences of their asymmetric tariff and nontariff barriers and stop applying the EU's regulatory regimes in ways that target large U.S. firms while letting state-owned Chinese and Russian companies off the hook. Failure to do so will undermine the prospects of a Europe resilient to Chinese and Russian coercion. American officials, for their part, should understand that fighting to make trade with democratic allies more mutually beneficial is not as urgent a task as waging a trade war with China. The United States cannot relitigate every inequitable trade relationship at once, and presenting a unified front against

China should remain Washington's overriding concern. The same holds true for U.S. economic relations with India and Japan.

The overarching purpose of this strategy is neither to decouple the U.S. and Chinese economies entirely nor to force U.S. allies and partners to pick a side (although building a low-barrier Western trade area encompassing both Asian and European allies should be a long-term U.S. objective). Instead, it is to better protect intellectual property and sensitive technologies and, by extension, to reduce China's economic leverage over the United States and other places. Canada, Japan, the Philippines, South Korea, Taiwan, states in central and southeastern Europe, and others have already felt the sting of Chinese economic coercion. Extensive integration with the Chinese economy is necessary for all states, but they must limit Beijing's ability to turn that exposure into coercive leverage—not as a favor to Washington but for the sake of their own sovereignty.

In addition, Washington should try to create some distance between Beijing and Moscow. It has long been a truism of American statecraft that it is unwise to allow the two primary Eurasian states to partner together, yet that may be precisely what is happening today, as Russia, deeply alienated from the West, appears to be tilting toward China even at the cost of its autonomy. Moscow recently welcomed the Chinese telecommunications giant Huawei into Russia, for instance, and the two countries have deepened their engagement on energy and military matters. For now, attempts to lure Russia away from China are unlikely to succeed, so the United States will have to settle for deterrence and wait for a more propitious opening. The United States should strengthen NATO's deterrent against Russia in the Baltics and central Europe while using sanctions to punish Russian aggressive actions in places such as Syria and Ukraine. To the extent that a future interests-based *détente* with Russia is possible, it will be because Moscow concludes that resurrecting its Soviet-era influence by force is too costly to be worthwhile.

Even with allied help, however, the United States will not be able to achieve the kind of military dominance over China and Russia that it once had over its opponents in the unipolar era. Trying to do so would be wasteful and counterproductive. What Washington truly needs is the capacity to resist successful assaults on its allies and partners. This means providing enough defense to keep these confederates onboard. More important still, it means ensuring they cannot be

occupied, especially in a *fait accompli*, or strangled by a blockade or coercion—a strategy that might be termed “denial defense.” Denying China and Russia the ability to take and hold the territory of Taiwan or one of the Baltic states will be hard, but it is feasible in today’s world of precision munitions and enormously capable intelligence, targeting, and data-processing capabilities. Doing this will require forces that can weather an initial attack and help deny China the ability to seize Taiwan or Russia the ability to hold Baltic territory.

Getting there means that other commitments will have to be put on the back burner or even sacrificed. In a unipolar world, Washington might have been able to be all things in all regions, like a colossus bestriding the world, but this is wholly untenable in an era of great-power competition. Instead, Washington will have to scale back its efforts in secondary and peripheral regions. Consider the U.S. footprint in the Middle East: instead of trying to stabilize the region and uphold “global norms” there, Washington should focus much more narrowly on finding cost-effective ways to fight transnational terrorism. Likewise, it cannot be the United States’ goal to transform the governments of states such as Iran; denying them hegemony in the Persian Gulf is enough and requires much less effort and fewer resources. Gradually reducing the U.S. military’s exposure and engagement in Afghanistan, Iraq, and Syria—with the help of local proxies and a greater reliance on offshore forces—will free up further capabilities.

## **THE END OF COMPLACENCY**

Trump will continue to break china on Twitter and elsewhere, delighting some and discomfiting or enraging others. And many will continue to be transfixed by the crisis du jour in the Middle East. But all the while, the United States is entering what is likely to be a protracted struggle over who will decide how the world works in the twenty-first century. The coming era will be less forgiving of hubris and unpreparedness than were the circumstances of the recent past. Recognition of that has prompted a long-overdue reassessment of U.S. military, economic, and diplomatic priorities, which future administrations will need to carry forward.

Doing so will require painful tradeoffs and sacrifices. It will mean relinquishing old dreams of unfettered military dominance and ill-suited weapons platforms and asking greater material contributions of U.S. allies. It will also mean sharpening the U.S. technological edge

in strategically relevant sectors without undermining the American commitment to international free trade and focusing much more rigorously on Asia and Europe at the expense of other regions. Returning to the somnolent complacency of years past—when the United States assumed the best intentions of its rivals, maintained economic policies that often undercut its national security, and masked dangerous shortcomings among its allies in the name of superficial political unity—is not an option. Neither is withdrawing in the hopes of sitting out geopolitical competition altogether. As in the past, the United States can guarantee its own security and prosperity as a free society only if it ensures favorable balances of power where they matter most and systematically prepares its society, economy, and allies for a protracted competition against large, capable, and determined rivals that threaten that aim. 🌐

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# The End of American Illusion

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Trump and the World as It Is

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*Nadia Schadlow*

SEPTEMBER/OCTOBER 2020

Since the end of the Cold War, most U.S. policymakers have been beguiled by a set of illusions about the world order. On critical issues, they have seen the world as they wish it were and not how it really is. President Donald Trump, who is not a product of the American foreign policy community, does not labor under these illusions. Trump has been a disrupter, and his policies, informed by his heterodox perspective, have set in motion a series of long-overdue corrections. Many of these necessary adjustments have been misrepresented or misunderstood in today's vitriolic, partisan debates. But the changes Trump has initiated will help ensure that the international order remains favorable to U.S. interests and values and to those of other free and open societies.

As the administration's first term draws to a close, Washington should take stock of the crumbling post-Cold War order and chart a path toward a more equitable and secure future. No matter who is U.S. president come January, American policymakers will need to adopt new ideas about the country's role in the world and new thinking about rivals such as China and Russia—states that have long manipulated the rules of the liberal international order to their own benefit.

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**NADIA SCHADLOW** is a Senior Fellow at the Hudson Institute and a Visiting Fellow at the Hoover Institution. In 2018, she served as U.S. Deputy National Security Adviser for Strategy.



A new set of assumptions should underpin U.S. foreign policy. Contrary to the optimistic predictions made in the wake of the Soviet Union's collapse, widespread political liberalization and the growth of transnational organizations have not tempered rivalries among countries. Likewise, globalization and economic interdependence have not been unalloyed goods; often, they have generated unanticipated inequalities and vulnerabilities. And although the proliferation of digital technologies has increased productivity and brought other benefits, it has also eroded the U.S. military's advantages and posed challenges to democratic societies.

Given these new realities, Washington cannot simply return to the comfortable assumptions of the past. The world has moved beyond the "unipolar moment" of the post-Cold War period and into an age of interdependence and competition that calls for different policies and tools. To properly navigate this new era, Washington must let go of old illusions, move past the myths of liberal internationalism, and reconsider its views about the nature of the world order.

### **ALL TOGETHER NOW?**

As the twentieth century drew to a close, the increasing number of countries that were embracing democratic ideals inspired pride in the West and high hopes for the future. A consensus formed that a convergence on liberal democracy would lead to a stable international political order. As the Soviet Union withered and the Cold War ended, U.S. President George H. W. Bush called for a "new world order," a "Pax Universalis" founded on liberal values, democratic governance, and free markets. Several years later, President Bill Clinton's 1996 National Security Strategy articulated a policy of engagement and democratic enlargement that would improve "the prospects for political stability, peaceful conflict resolution, and greater dignity and hope for the people of the world."

This presumption of liberal convergence motivated the decision to allow China to join the World Trade Organization (WTO) in 2001. As Clinton said at the time, such an opening would have "a profound impact on human rights and political liberty." The rest of the world would get access to Chinese markets and cheap imports, and China would get the chance to bring prosperity to hundreds of millions—which, many in Washington believed, would improve the prospects for democratization. It was a win-win.

But China had no intention of converging with the West. The Chinese Communist Party never intended to play by the West's rules; it was determined to control markets rather than open them, and it did so by keeping its exchange rate artificially low, providing unfair advantages to state-owned enterprises, and erecting regulatory barriers against non-Chinese companies. Officials in both the George W. Bush and the Obama administrations worried about China's intentions. But fundamentally, they remained convinced that the United States needed to engage with China to strengthen the rules-based international system and that China's economic liberalization would ultimately lead to political liberalization. Instead, China has continued to take advantage of economic interdependence to grow its economy and enhance its military, thereby ensuring the long-term strength of the CCP.

While China and other actors subverted the liberal convergence overseas, economic globalization was failing to meet expectations at home. Proponents of globalization claimed that in an economy lubricated by free trade, consumers would benefit from access to cheaper goods, lost manufacturing jobs would be replaced by better jobs in the growing service industry, foreign direct investment would flow to every sector, and companies everywhere would become more efficient and innovative. Organizations such as the WTO, meanwhile, would help manage this freer and more integrated world (never mind its 22,000 pages of regulations).

But the promise that globalization's rising tide would lift all boats went unfulfilled: some rose to extreme heights, some stagnated, and others simply sank. It turned out that liberal convergence was not a win-win: there were, in fact, winners and losers.

A populist backlash against this reality caught elites off-guard. This reaction intensified as malfeasance on Wall Street and the U.S. Federal Reserve's misguided monetary policies helped bring about the 2008 global financial crisis. The generous bailouts that banks and financial firms received in its wake convinced many Americans that corporate and political elites were gaming the system—a theme that Trump seized on in his 2016 campaign. Years before Trump's victory, however, many ordinary Americans had already come to see that globalization was hurting them. Working people directly experienced how free trade could hollow out communities as jobs and capital investments fled overseas. Even the chief economist of the International Monetary Fund, Gita Gopinath, acknowledged in 2019 that international trade had been

very costly for manufacturing workers in the United States. Between 2000 and 2016, the country lost some five million manufacturing jobs.

### **SLOUCHING TOWARDS TURTLE BAY**

A second illusion that has entranced U.S. policymakers is the idea that Washington could depend on international organizations to help it confront major challenges and that “global governance” would emerge with the help of American leadership. Since countries were supposedly converging on political and economic liberalization, it was natural to think that transnational challenges such as nuclear proliferation, terrorism, and climate change would replace interstate competition as the principal focal point for U.S. leaders. The conventional wisdom held that such threats could best be managed by international institutions.

That view presumed that since other countries were progressing inexorably toward liberal democracy, they would share many of Washington’s goals and would play by Washington’s rules. That belief tended to minimize the importance of national sovereignty and the fact that countries differ in how they organize their own communities. Even among democracies, there exists a high degree of variation when it comes to cultural, institutional, and political values.

Nevertheless, international institutions grew more expansive and ambitious. In 1992, UN Secretary-General Boutros Boutros-Ghali’s *Agenda for Peace* envisioned a world in which the UN would maintain world peace, protect human rights, and promote social progress through expanding peacekeeping missions. Between 1989 and 1994, the organization authorized 20 peacekeeping missions—more than the total number of missions it had carried out during the previous four decades.

Mission creep extended to individual UN agencies, as well. The World Health Organization—created in 1948 to prevent the spread of infectious diseases—pioneered a number of the UN’s greatest accomplishments, including the eradication of smallpox and the near eradication of polio. But over the years, its scope grew dramatically. By 2000, it had begun to issue warnings on everything from food safety to cellular phone usage to air quality. This spread staff and resources too thin, crippling the organization’s ability to respond to genuine crises, such as the ongoing COVID-19 pandemic. During the initial outbreak, the WHO was relegated to the sidelines as national governments raced to secure medical equipment. The institution’s robust defense of

China's response to the pandemic demonstrated that the CCP had used its clout to co-opt the WHO rather than support its missions.

The trouble at the UN went far beyond the WHO, however. In 2016, Anthony Banbury, a career UN official who had recently served as assistant secretary-general for field support, wrote that the organization's bureaucracy had become so complex that it was incapable of delivering results, creating a black hole into which disappeared "countless tax dollars," as well as a long list of "human aspirations, never to be seen again." Such lost opportunities have led to cynicism and have weakened the liberal international order from within.

### **INVINCIBLE NO MORE**

Although liberal internationalism encouraged interdependence and multilateralism, it also rested on a faith in Washington's ability to indefinitely maintain the uncontested military superiority it enjoyed in the immediate aftermath of the Cold War. In reality, U.S. military dominance is now challenged in virtually every domain. The United States is no longer able to operate freely in the traditional spheres of land, sea, and air, nor in newer ones such as outer space and cyberspace. The spread of new technologies and weapon systems and the pursuit of asymmetric strategies by adversaries have limited the U.S. military's ability to find and strike targets, supply and safeguard its forces abroad, freely navigate the seas, control sea lines of communication, and protect the homeland. Nothing is likely to reverse these trends.

Since the 1990s, the United States has become more dependent on space for its national security, because so many military and intelligence functions depend on assets, such as satellites, that are based there. But China, Russia, and other states now have the ability to field antisatellite weapons systems. Meanwhile, private commercial activities in space have increased exponentially, as well. Since 2014, a majority of satellite launches have been conducted by countries other than the United States—primarily China, India, Japan, and members of the EU, further eroding the United States' ability to maneuver freely in space and increasing the amount of debris orbiting the earth, which threatens all space assets.

In cyberspace, hardware and software vulnerabilities have emerged across military supply chains, potentially reducing the effectiveness of important platforms. In 2018, David Goldfein, the U.S. Air Force's chief of staff, described the F-35 Joint Strike Fighter as "a computer that happens to fly"—and thus, like all computers, it is vulnerable to cyberattacks. That

same year, the Defense Science Board warned that since so many weapons systems were connected, a vulnerability in one could affect others, too.

At the same time, bureaucratic requirements have made it harder for the military to innovate. More than 20 years passed from when the Joint Strike Fighter program was envisioned to when the first combat squadron of F-35s was declared operational. The military demands unrealistically high levels of performance, which companies, hungry for contracts, promise to deliver. Former U.S. Defense Secretary Robert Gates has bemoaned the armed forces' unwillingness to settle for an "80 percent" solution that could actually be built and fielded in a reasonable time frame. Given how quickly countervailing technologies develop, these frictions in the U.S. defense industry pose serious questions about the country's ability to fight and win wars, especially against near-peer competitors.

Meanwhile, Beijing and Moscow have developed so-called anti-access/area-denial weapons systems, which reduce Washington's ability to project power in East Asia and Europe. China has developed and modernized its strategic and tactical nuclear weapons and has invested heavily in technologies to improve its conventional forces. Russia has built an array of exotic "doomsday weapons" and low-yield tactical nuclear weapons, despite arms control agreements with the United States. And both countries are also pouring resources into hypersonic weapons whose speed and maneuverability render conventional missile defense systems ineffective.

In addition, smaller rivals such as Iran and North Korea have continued to develop and refine their nuclear programs. Despite visions of a world in which no one could challenge American force, the era of U.S. military dominance proved to be relatively short.

## **UNFRIENDING TECH**

Misplaced faith in the advantages of new technologies has not been confined to military affairs. As the digital revolution began, policy-makers and business leaders were optimistic that these technologies would accelerate the spread of liberal democratic values—that "the age of information can become the age of liberation," as President George H. W. Bush put it in 1991. A few years later, Clinton predicted that "liberty [would] spread by cell phone and cable modem."

Over time, however, it has become clear that the same technologies that connect and empower people can also imperil freedom and openness and limit the right to be left alone—all elements of a flourishing

democracy. Authoritarian countries have deployed digital technologies to control their citizens, with the (sometimes unwitting) assistance of Western companies. The CCP has developed the most sophisticated surveillance system in the world, for example, using facial and voice recognition technologies and DNA sequencing to create a “social credit” system that monitors China’s 1.4 billion people and rewards or punishes them based on their perceived loyalty to the party-state.

These practices are not limited to authoritarian governments—partly because Huawei, the Chinese telecommunications giant, has exported surveillance tools to 49 countries, including tools that employ artificial intelligence (AI). According to the Carnegie Endowment’s AI Global Surveillance Index, virtually all the countries in the G-20 have deployed AI-enabled surveillance technology, including facial recognition programs. Meanwhile, even as the CCP banned Twitter in its own country, Beijing and other governments have used it and other platforms to carry out disinformation campaigns abroad aimed at weakening democracies from within.

## **MYTHBUSTERS**

Trump, in his campaign and presidency, has offered some correctives to the illusions of the past—often bluntly and sometimes inconsistently. His departures from traditional ways of talking about and conducting foreign policy stem from an embrace of the uncomfortable truth that visions of benevolent globalization and peace-building liberal internationalism have failed to materialize, leaving in their place a world that is increasingly hostile to American values and interests.

Trump emphasizes the role of states in the international order, challenging an American tendency since the end of the Cold War to transfer power to international organizations. This has not meant unilaterally reducing the U.S. role in the world; rather, it has meant signaling respect for the sovereignty of others. Consider, for example, the administration’s strategy for a free and open Indo-Pacific region, which involves countering China’s excessive and illegal territorial claims in the South China Sea and bolstering the maritime security of other countries in the region, such as Vietnam, by providing them with equipment. Such measures draw a contrast with Beijing’s efforts to create subservient relationships in the region and establish spheres of influence.

More broadly, the Trump administration has applied the principle of reciprocity to various international institutions and norms. This

has meant urging other powers to take more responsibility for their own security and contribute more to the strength of the Western-led order. Trump's attention to burden sharing has "made NATO stronger," according to NATO Secretary-General Jens Stoltenberg. Between 2016 and 2018, defense spending by NATO members other than the United States increased by \$43 billion, and Stoltenberg has predicted that by 2024, such spending will increase by another \$400 billion.

In trade and commerce, reciprocity has meant raising the alarm, louder than in the past, about China's unwillingness to open its market to U.S. products and services and Beijing's unfair practices, such as forced technology transfers and intellectual property theft. Experts estimate that since 2013, the United States has suffered over \$1.2 trillion in economic damage as a result of China's egregious abuses.

Trump's use of tariffs as a trade tactic has underscored his willingness to take risks. Critics have decried the tariffs as radical departures from orthodoxy. In reality, the use of retaliatory tariffs to demand reciprocity is an American tradition that dates back to the presidency of George Washington. They are also used by countries around the world to enforce WTO decisions or counteract unfair subsidies provided by other states. Trump's tariffs helped yield an initial agreement with China that, unlike any previous bilateral U.S.-Chinese agreement, includes meaningful commitments from Beijing to limit the theft of trade secrets, reduce forced technology transfers, and open Chinese markets to U.S. financial services and agricultural goods.

The ongoing negotiations with China are part of the Trump administration's broader effort to mitigate the downsides of globalization, such as the vulnerabilities created by "just in time" supply chains and the deindustrialization of the U.S. heartland. In the words of Robert Lighthizer, the U.S. trade representative, in these pages, the goal is to support "the kind of society [Americans] want to live in" by acknowledging the dignity of work and always keeping American workers and U.S. national security in mind when crafting economic policy. Along those lines, one important measure was the administration's strengthening of the Committee on Foreign Investment in the United States, which reviews major investments in U.S. companies by foreign entities and has helped to block Chinese companies from using investments to access key technologies developed by U.S. firms.

In accordance with the goal of enhancing American power, Trump has fulfilled his campaign promise to reverse the decline of the U.S.

military—and has increased defense spending by almost 20 percent since 2017. Funding for nuclear modernization and missile defense has returned after years of neglect, and the Trump administration has established the Space Force. The Department of Defense has prioritized the pursuit of advanced technologies, such as hypersonic missiles and AI, as part of an overall focus on competing with other great powers. The Pentagon and U.S. intelligence organizations have also advanced the important operational concept of “defend forward” in cyberspace, which guides the United States to more proactively identify threats, preempt attacks, and impose costs in order to deter and defeat malicious cyber-campaigns.

No administration’s policies are without flaws or inconsistencies. The Trump administration has exhibited a tendency, shared by many of its predecessors, to rely too heavily on regional partners that are not always up to the job. One example is the confusion about the extent to which Washington could withdraw its forces from Iraq and Syria following the U.S.-led victory over the Islamic State (also known as ISIS). Consolidating U.S. gains there required understanding the limited capabilities of Washington’s partners in Syria, the mixed motivations of leaders in Iraq and Turkey, and the danger of leaving the field open to the Assad regime, Iran, and Russia. Ultimately, protecting U.S. interests has required a direct if modest American role.

The president and members of his administration have also been brash to the point of counterproductively alienating allies, especially in Europe. And tariffs have not always been applied in a strategic manner. It would have been better to seek unity in the contest against China rather than pick fights with allies and partners by imposing steel and aluminum tariffs on them in 2018.

## **GET OVER IT**

No matter who is elected president in November, returning to a set of strategic assumptions designed for the unipolar moment would harm U.S. interests. Competition is and will remain a core feature of the international environment, and interdependence does not obviate that. If a Democrat wins the White House, he will likely require convincing that rivalry is an unalterable feature of the international system and that it would be a grave mistake to return to the premises of a bygone era.

If Trump wins a second term, his administration must focus on better implementing the policy shifts it has initiated, sending more consistent



messages, and building stronger coalitions both at home and abroad. Whoever occupies the White House in January will need to understand that today's multidimensional rivalries will not end in conventional victories. More broadly, policymakers and strategists need to move past their emphasis on achieving particular end states, since that springs from a mechanistic and ahistorical view of how politics works. In reality, as the historian Michael Howard argued, human acts create new sets of circumstances that, in turn, require new judgments and decisions.

Geopolitics is eternal. That is why competition persists no matter how much idealists might wish otherwise. A main objective of U.S. strategy, therefore, should be to prevent the accumulation of activities and trends that harm U.S. interests and values, rather than to pursue grand projects such as trying to determine how China or other countries should govern themselves. To do this, the United States must craft policies that aim to maintain regional balances of power and deter aggression by revisionist powers.

Many on the right who favor restraint or retrenchment will be reluctant to embrace the idea of constant competition because they tend to discount the aspirations of other powers. If the United States is restrained, their argument goes, others will follow suit. History suggests otherwise. Many on the left will be reluctant to accept the idea of a rolling end state because they tend to believe that the arc of history is progressing toward a liberal convergence and view the push and pull of a competitive world as overly aggressive and likely to lead to war.

But recognizing the centrality of competition does not mean favoring the militarization of U.S. foreign policy, nor does it mean a drive to war. A wider acceptance of the competitive nature of geopolitics does indeed require a foundation of military power, but it also accentuates the need for diplomatic and economic tools of statecraft. Precisely because so much of today's international competition happens below the threshold of military conflict, civilian agencies need to take the lead in maintaining order and shaping a landscape favorable to U.S. interests and values. But that will occur only once the mindset and culture of U.S. government agencies change to allow for a broader recognition of the competition now underway.

Going forward, U.S. foreign policy success will hinge on a clear-eyed approach to cooperation. Rather than seeing cooperation with other countries as an end in itself, policymakers should recognize it as a means to crafting a stronger competitive strategy. They must also

grasp that genuine cooperation requires reciprocity. Margrethe Vestager, the EU's competition commissioner, perhaps put it best when she expressed the essence of this policy: "Where I come from—I grew up in the western part of Denmark—if you keep inviting people and they don't invite you back, you stop inviting them."

In addition, Washington needs to accept that global problems are not necessarily best solved by global institutions, which are accountable primarily to internal bureaucracies rather than to external constituencies. Such institutions can play useful roles as conveners and centers for information sharing, but they lack the operational capacity to act at scale; bureaucratic complexity prevents them from accomplishing broader missions.

Reconsidering global governance does not require rejecting liberal principles or abandoning an order based on them. But because only a handful of countries are committed to those principles, the goal should be to foster what the scholar Paul Miller has described as a "smaller, deeper liberal order" of industrialized democracies that would defend liberal values and serve strategic and economic purposes. The focus might be on creating mission-driven coalitions that could construct redundant supply chains, fund research in emerging technologies, promote fair and reciprocal trade, and cooperate on security issues. Such coalitions would be open to new members provided they shared U.S. interests and values and could bring capabilities to bear on key problems. The Cold War-era rules-based order began much the same way: as a U.S.-led group of like-minded states seeking to win a strategic and ideological competition against a common adversary.

Washington also needs to refresh its thinking about political economy and improve the capacity of U.S. government agencies to address the interplay of politics and economics. The United States will never be able to integrate its economic policies and political strategies as China does by putting its command economy directly in the service of the CCP's goals. But Washington should invest more in economic intelligence and make it easier to share such information across departments and agencies by establishing a national center for economic intelligence, perhaps modeled on the National Counterterrorism Center, as the scholar Anthony Vinci has advocated.

Moreover, the U.S. government must counter China's massive investments in research and development in emerging technologies.

Congress must fund public- and private-sector research in AI, high-performance computing, synthetic biology, and other strategically important technology sectors. And the State Department should also put economics front and center by giving economic officers more responsibility at embassies and by opening more consulates around the world, to better foster business and commercial relationships.

Finally, U.S. policymakers must accept that in the contemporary world, speed is a vital component of power. The ability to respond quickly to threats and seize opportunities enhances a country's influence. Slow responses undermine democratic governance, since they reduce citizens' confidence that their government can meet needs within a reasonable amount of time. This truth has been underscored by the current pandemic, at the beginning of which, owing in large part to China's initial cover-up, governments around the world acted too slowly. U.S. government agencies need to introduce a new calculation: time to outcome. Armed with this measure, a policymaker might have a hope of identifying obstacles that need to be removed to get things done.

### **WHAT TRUMP SAW**

The goals of the liberal international order were laudable—and, in many cases, they were achieved against daunting odds. The world is safer, more prosperous, and more just than it once was. But the unexpected consequences of globalization and the unfulfilled promises of global governance cannot be overlooked.

In a world of great-power competition, economic inequality, and dazzling technological capabilities, where ideologies as well as pathogens spread with viral ferocity, the stakes are too high and the consequences too dire to simply stick with what worked in the past and hope for the best. Trump recognized this reality earlier than many in the U.S. foreign policy community. Whoever follows him—be it in 2021 or 2025—will need to recognize it, as well. 🌐

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# Present at the Disruption

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How Trump Unmade U.S. Foreign Policy

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*Richard Haass*

SEPTEMBER/OCTOBER 2020

**P***resent at the Creation* is an 800-page memoir written by Dean Acheson, U.S. President Harry Truman's secretary of state. The title, with its biblical echo, was immodest, but in Acheson's defense, it was deserved.

Working from planning begun under President Franklin Roosevelt, Truman and his senior advisers built nothing less than a new international order in the wake of World War II. The United States adopted the doctrine of containment, which would guide U.S. foreign policy for four decades in its Cold War struggle with the Soviet Union. It transformed Germany and Japan into democracies and built a network of alliances in Asia and Europe. It provided the aid Europe needed to get back on its feet under the Marshall Plan and channeled economic and military assistance to countries vulnerable to communism under the Truman Doctrine. It established a host of international organizations, including the United Nations, the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade (the forerunner to the World Trade Organization). And it constructed a modern foreign and defense policy apparatus, including the National Security Council, the CIA, and the Department of Defense.

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**RICHARD HAASS** is President of the Council on Foreign Relations and the author of *The World: A Brief Introduction*.

It is impossible to imagine one of the national security principals of the Trump administration writing a memoir that includes the word “creation” in its title. The problem is not just that little has been built over the past three and a half years. Building has simply not been a central aim of this administration’s foreign policy. To the contrary, the president and the frequently changing cast of officials around him have been much more interested in tearing things apart. A more fitting title for an administration memoir would be *Present at the Disruption*.

The term “disruption” is in and of itself neither a compliment nor a criticism. Disruption can be desirable and even necessary if the status quo is incompatible with one’s interests and there is an alternative that is both advantageous and achievable. But disruption is anything but desirable if the status quo serves one’s interests (or would with only minor adjustments) or the available alternatives are likely to be worse. By this standard, the disruption set in motion by the Trump administration was neither warranted nor wise.

As with health care and the Affordable Care Act, when it came to foreign policy, Trump inherited an imperfect but valuable system and tried to repeal it without offering a substitute. The result is a United States and a world that are considerably worse off. This disruption will leave an enduring mark. And if such disruption continues or accelerates, which there is every reason to believe it will if Donald Trump is elected to a second term, then “destruction” might well become a more apt term to describe this period of U.S. foreign policy.

## **A DISTORTED LENS**

Trump entered the Oval Office in January 2017 convinced that U.S. foreign policy needed to be disrupted. In his inaugural address, speaking from the steps of the Capitol, the new president offered a grim account of the United States’ record:

For many decades, we’ve enriched foreign industry at the expense of American industry, subsidized the armies of other countries while allowing for the very sad depletion of our military. We’ve defended other nation’s borders while refusing to defend our own. And spent trillions and trillions of dollars overseas while America’s infrastructure has fallen into disrepair and decay. We’ve made other countries rich while the wealth, strength, and confidence of our country has dissipated over the horizon. . . . From this day forward, it’s going to be only America first.

After three and a half years at the helm of U.S. foreign policy, Trump had apparently seen nothing to change his mind. Addressing graduating cadets at West Point earlier this year, he applied a similar logic to the use of military force:

We are restoring the fundamental principles that the job of the American soldier is not to rebuild foreign nations, but defend—and defend strongly—our nation from foreign enemies. We are ending the era of endless wars. In its place is a renewed, clear-eyed focus on defending America’s vital interests. It is not the duty of U.S. troops to solve ancient conflicts in faraway lands that many people have never even heard of. We are not the policemen of the world.

Many of the foundational elements of Trump’s approach to the world can be gleaned from these two speeches. As he sees it, foreign policy is mostly an expensive distraction. The United States was doing too much abroad and was worse off at home because of it. Trade and immigration were destroying jobs and communities. Other countries—above all U.S. allies—were taking advantage of the United States, which had nothing to show for its exertion even as others profited. The costs of American leadership substantially outweighed the benefits.

Missing from this worldview is any appreciation of what, from a U.S. perspective, was remarkable about the previous three-quarters of a century: the absence of great-power war, the extension of democracy around much of the world, a 90-fold growth in the size of the U.S. economy, a ten-year increase in the lifespan of the average American. Also missing is a recognition that the Cold War, the defining struggle of that era, ended peacefully, on terms that could hardly have been more favorable to the United States; that none of this would have been possible without U.S. leadership and U.S. allies; and that despite this victory, the United States still faces challenges in the world (beyond “radical Islamic terrorism,” the one threat Trump singled out in his inaugural address) that affect the country and its citizens, and that partners, diplomacy, and global institutions would be valuable assets in meeting them.

Numerous other dubious assumptions run through Trump’s worldview. Trade is portrayed as an unmitigated negative that has helped China take advantage of the United States, rather than as a source of many good export-oriented jobs, more choices along with lower costs for the American consumer, and lower rates of inflation at home. The United States’ domestic ills are attributed in large part to the costs of

foreign policy, even though—while the costs, in lives and dollars, have been high—the share of economic output spent on national security has fallen in recent decades and is far below what it was during the Cold War, which happened to be a time when Americans were able to enjoy security and prosperity simultaneously. There is ample reason to find fault with the wars in Afghanistan and Iraq without blaming them for the condition of American airports and bridges. And although Americans spend far more on health care and education than their counterparts in many other developed countries do, the average American is worse off. All of which is to say, doing less abroad would not necessarily lead to doing more of the right things at home.

It is possible to understand this distorted framing of U.S. national security only by considering the context that gave rise to “Trumpism.” The United States emerged from the Cold War with no rivals, but also with no consensus as to what it should do with its unrivaled power. Containment, the compass that had guided U.S. foreign policy for four decades, was useless in the new circumstances. And policy-makers and analysts struggled to settle on a new framework.

As a result, the most powerful country on earth adopted a piecemeal approach to the world—one that, over time, led to overextension and exhaustion. In the 1990s, the United States fought a successful limited war to reverse Iraqi aggression in the Persian Gulf and carried out humanitarian interventions in the Balkans and elsewhere (some relatively successful, others not). After the September 11, 2001, terrorist attacks, President George W. Bush sent large numbers of troops to Afghanistan and Iraq—both ill-advised wars of choice (Iraq from the outset, Afghanistan over time), in which the human and economic costs dwarfed any benefits. In the Obama years, the United States initiated or continued several costly interventions and at the same time signaled uncertainty as to its intentions.

Frustration over perceived overextension abroad was reinforced by trends at home, especially after the 2008 financial crisis. Middle-class wages stagnated, and widespread job losses and factory closings created a narrow but intense hostility to trade (despite the fact that productivity increases tied to technological innovation were the primary culprit). Altogether, there was a widespread sense of the establishment having failed, both by neglecting to protect American workers at home and by undertaking an overly ambitious foreign policy abroad, one detached from the country’s vital interests and the welfare of its citizens.

## **DEPARTING FROM WHAT MOSTLY WORKED**

The foreign policies of the first four post-Cold War presidents—George H. W. Bush, Bill Clinton, George W. Bush, and Barack Obama—blended the principal schools of thought that had guided the United States' approach to the world since World War II. These included realism (emphasizing global stability, largely by maintaining a balance of power and attempting to shape other countries' foreign, rather than domestic, policies); idealism (putting greater weight on promoting human rights and shaping the domestic political trajectory of other countries); and humanitarianism (focusing on relieving poverty, alleviating disease, and caring for refugees and the displaced). The four presidents differed in their emphasis but also had a good deal in common. Trump broke with all of them.

In some ways, Trump's approach does incorporate elements of long-standing currents in U.S., and especially Republican, foreign policy—particularly the nineteenth-century nationalist unilateralism of President Andrew Jackson, the pre- and post-World War II isolationism of figures such as Republican Senator Robert Taft of Ohio, and the more recent protectionism of the presidential candidates Pat Buchanan and Ross Perot. But what distinguishes Trump more than anything else is his emphasis on economic interests and his narrow understanding of what they are and how they should be pursued. His predecessors believed that if the United States helped shape the global economy, using its power and leadership to promote stability and set rules for trade and investment, American companies, workers, and investors would flourish. The Gulf War, for example, was fought not for oil, in the sense of creating opportunities for U.S. companies to gain control of supplies, but to ensure that oil would be available to fuel the U.S. and global economies. Both grew markedly as a result.

Trump, by contrast, routinely complains that the United States erred by not seizing Iraqi oil. More fundamentally, he obsesses over bilateral trade balances, on increasing American exports and decreasing imports, even though deficits matter little as long as other countries are playing by the rules and the United States can borrow to cover the shortfall. (All countries have comparative advantages, and different rates of saving and spending, that lead to deficits with some and surpluses with others.) He berates allies for not spending more on their militaries, incorrectly telling fellow members of NATO that their failure to spend two percent of their GDPs on defense means



that they owe the United States money. He was quick to cancel large military exercises central to the U.S.–South Korean alliance, in part because he thought they were too expensive. In trade negotiations with China, he cared more about getting Beijing to commit to specific purchases of American agricultural products than tackling larger structural issues, even though addressing the latter would be much more beneficial for American companies and for the U.S. economy as a whole.

The corollary to this focus on narrowly defined economic interests has been an almost total neglect of other aims of U.S. foreign policy. Trump has shown little interest in advocating human rights, advancing democracy, alleviating humanitarian hardship, or addressing global challenges such as migration, climate change, or infectious diseases (the toll of such disinterest in the last has become especially, and tragically, clear in recent months). When it came to Saudi Arabia, he did not allow blatant human rights violations to get in the way of arms sales. And he has been reluctant to respond at all to Russia's military intervention in Syria, its interference in U.S. politics, or recent evidence that Russian agents paid bounties to the Taliban to kill American soldiers.

The contrast between Trump and previous presidents is no less pronounced when it comes to the means of foreign policy. The two Republican and two Democratic presidents just before him all broadly believed in multilateralism, whether through alliances or treaties or institutions. That did not mean they eschewed unilateral action altogether, but all understood that, in most cases, multilateral arrangements magnify U.S. influence and treaties bring a degree of predictability to international relations. Multilateralism also pools resources to address common challenges in a way that no amount of individual national effort can match.

Trump, by contrast, has made a habit of withdrawing or threatening to withdraw from multilateral commitments. Even a partial list would include the Trans-Pacific Partnership (TPP), the Paris climate accord, the Iran nuclear deal (the Joint Comprehensive Plan of Action, or JCPOA), the Intermediate-Range Nuclear Forces Treaty, UNESCO, the UN Human Rights Council, the World Health Organization (WHO), and the Open Skies Treaty. Trump's United States also refused to join a global migration pact or European-led efforts to develop a vaccine for COVID-19.

## **APPETITE FOR DISRUPTION**

Trump's narrow and inadequate understanding of U.S. interests and the best means of pursuing them has also shaped—and in most cases hindered—the administration's approach to other issues. When it comes to the military, Trump's appetite for disruption has been most evident in the actual or threatened withdrawal of forces, often with little thought to why they were there in the first place or what the consequences of withdrawal might be. All presidents make decisions about the use of military force on a case-by-case basis. Trump, like Obama in this one area, has been largely wary of new military entanglements; his uses of force against Syria and Iran were brief and limited in scope, and his threats to unleash “fire and fury” on North Korea quickly gave way to summitry, despite North Korea's continued work on its nuclear and missile arsenals.

His calls for withdrawal, meanwhile, have applied to areas of conflict as well as places where U.S. troops have been stationed for decades in order to deter war. In Syria, the United States' Kurdish partners were left in the lurch when Trump abruptly announced U.S. troop withdrawals in late 2018; in Afghanistan, little thought seems to have been given to what might happen to the government in Kabul once U.S. troops depart. But it's one thing to conclude that the United States erred in Afghanistan and Iraq and should avoid such wars in the future, quite another to equate those interventions with the stationing of U.S. forces in Germany, Japan, or South Korea, which have helped maintain stability for decades. The administration's announcement in June that it would withdraw 9,500 troops from Germany, seemingly triggered by German Chancellor Angela Merkel's refusal to travel to Washington for a G-7 meeting amid a global pandemic and not by national security considerations, was entirely consistent with Trump's coolness toward overseas military commitments. That this decision was taken without prior consultation with Berlin, just as the decision to cancel major military exercises with South Korea was taken without consulting Seoul, only made a bad situation worse.

These moves reflect Trump's broader indifference to allies. Alliances depend on treating the security of others as seriously as one's own; “America first” makes clear that U.S. allies come second. Trump's relentless focus on offsetting the costs of the United States' overseas military presence has reinforced the corrosive message that U.S. support for allies has become transactional and conditional. His warm

treatment of foes and competitors—he has consistently been friendlier toward Russian President Vladimir Putin, Chinese President Xi Jinping, and the North Korean leader Kim Jong Un than toward their democratic counterparts—has exacerbated the problem, especially given Trump’s reluctance to reaffirm U.S. fidelity to NATO’s Article 5, the treaty’s collective-defense provision. Even Russian interference in American democracy hasn’t stopped Trump from being less confrontational with Putin than with European leaders. In the one notable case in which the administration acted against Putin, in providing arms to Ukraine, any reassurance was undercut by the fact that subsequent aid was conditioned on a commitment by Ukraine’s new president to investigate Trump’s likely Democratic opponent in the 2020 election.

On trade, the administration has mostly rejected multilateral pacts, including the TPP, which would have brought together countries representing 40 percent of the world’s GDP and pressured China to meet higher economic standards. It has regularly resorted to unilateral tariffs, even imposing them on allies and using dubious legal justifications. And although the United States has not withdrawn from the World Trade Organization, the administration has tied it in knots by refusing to approve judges for the panel that adjudicates trade disputes. The one exception is the U.S.-Mexico-Canada Agreement, which replaced the North American Free Trade Agreement. The USMCA is a curious exception, however, in that it departs only modestly from the harshly criticized NAFTA and borrows heavily from the text of the rejected TPP.

With China, Trump’s welcome willingness to challenge Beijing on trade has been undermined by what can only be described as an incoherent policy. The administration has used confrontational language but has diluted any real leverage it might have had by bowing out of the TPP, incessantly criticizing (rather than enlisting) allies in Asia and Europe, and blatantly showing its hunger for a narrow trade deal that commits China to accepting greater American exports ahead of Trump’s reelection campaign. The administration has been tardy or inconsistent in its criticism of China for its crackdown in Hong Kong and its treatment of the Uighurs in Xinjiang, and it has been mostly passive as China has solidified its control of the South China Sea. Meanwhile, reduced spending on basic research at home, the placement of new limits on the number of skilled immigrants allowed into the United States, and the inept handling of the COVID-19 pandemic have made the country less competitive vis-à-vis China.

In the Middle East, Trump's disruption has similarly undermined U.S. objectives and increased the likelihood of instability. For five decades, the United States had positioned itself as an honest broker in the Israeli-Palestinian conflict; everyone understood that the United States stood closer to Israel, but not so close that it would not push Israel when necessary. Convinced that a new approach had to be taken, the Trump administration abandoned any pretense of such a role, forgoing any real peace process for a series of faits accomplis premised on the mistaken belief that the Palestinians were too weak to resist and Sunni Arab governments would look the other way given their desire to work with Israel against Iran. The administration sanctioned the Palestinians even as it moved the U.S. embassy to Jerusalem, recognized Israel's annexation of the Golan Heights, and put forward a "peace plan" that set the stage for Israeli annexation of parts of the West Bank. The policy risks sowing instability in the region, foreclosing future opportunities for peacemaking, and jeopardizing Israel's future as both a democratic and a Jewish state.

With Iran, the administration has managed to isolate itself more than Tehran. In 2018, Trump unilaterally withdrew from the JCPOA, introducing a new round of sanctions as he did so. The sanctions hurt Iran's economy, just as the killing of Qasem Soleimani, the commander of the Quds Force of Iran's Islamic Revolutionary Guard Corps, was a setback for its regional ambitions. But neither was enough to force fundamental changes in Tehran's behavior, at home or abroad, or bring down the regime (which appears to have been the real goal of the administration's policy). Iran has now started flouting the limits on its nuclear programs established by the JCPOA and, through its meddling in Iraq, Lebanon, Syria, and Yemen, continues to try to reshape much of the Middle East.

## **THE NEW NORMAL**

Trump encountered a difficult inbox at the start of his presidency: growing great-power rivalry, an increasingly assertive China, a turbulent Middle East, a nuclear-armed North Korea, numerous conflicts within countries, a largely unregulated cyberspace, the lingering threat of terrorism, accelerating climate change, and plenty more. On the eve of his inauguration, my book *A World in Disarray* was published, which I mention only to underscore that many difficult challenges greeted the 45th president. Today, the disarray is considerably greater. Most of the problems that Trump inherited have gotten worse; to the extent that

he has simply ignored many of them, neglect has not been benign. And the standing of the United States in the world has fallen, thanks to its inept handling of COVID-19, its denial of climate change and rejection of refugees and immigrants, and the continued scourges of mass shootings and endemic racism. The country is seen not just as less attractive and capable but also as less reliable, as it withdraws from multilateral agreements and distances itself from allies.

American allies, for their part, have come to view the United States differently. Alliances are predicated on reliability and predictability, and no ally is likely to view the United States as it did before. Seeds of doubt have been sown: if it could happen once, it could happen again. It is difficult to reclaim a throne after abdicating it. What's more, a new president would be constrained by the ongoing pandemic, large-scale unemployment, and deep political divisions, all at a time when the country is struggling to address racial injustice and growing inequality. There would be considerable pressure to focus on righting the home front and limiting ambition abroad.

A partial restoration of U.S. foreign policy is still possible, however. The United States could commit to rebuilding its relationships with its NATO allies, as well as its allies in Asia. It could reenter many of the agreements it exited, negotiate a follow-on pact to the TPP, and spearhead a reform of the World Trade Organization. It could adjust its immigration policy.

But there is no going back to the way things were. Four years may not be a long time in the sweep of history, but it is plenty long enough for things to change irreversibly. China is wealthier and stronger, North Korea has more nuclear weapons and better missiles, climate change is more advanced, the U.S. embassy has been relocated to Jerusalem, and Nicolás Maduro is more entrenched in Venezuela, as is Bashar al-Assad in Syria. This is the new reality.

Moreover, restoration on any scale will be inadequate given the extent to which disarray has spread under Trump. The United States will need a new framework for contending with a more assertive and repressive China, as well as initiatives that narrow the gap between the scale of global challenges—climate change and infectious diseases, terrorism and nuclear proliferation, cyberwar and trade—and the arrangements meant to address them. Rejoining an inadequate Paris agreement, a soon-to-begin-expiring JCPOA, or a flawed WHO would not be nearly enough. Instead, a new administration will need to ne-

gotiate follow-on agreements on both climate change and Iran and partner with others to reform the WHO or bring about a new body to assume some of the global health burden.

And if Trump is reelected? Buoyed by an electoral victory that he would interpret as a mandate, he would likely double down on the central elements of the foreign policy that has defined his first term. At some point, disruption becomes so far-reaching that there is no turning back. *Present at the Disruption* could become *Present at the Destruction*.

Countless norms, alliances, treaties, and institutions would weaken or wither. The world would become more Hobbesian, a struggle of all against all. (This was actually previewed in May 2017 in a *Wall Street Journal* op-ed written by two senior Trump administration officials: “The world is not a ‘global community’ but an arena where nations, nongovernmental actors and businesses engage and compete for advantage.”) Conflict would become more common, and democracy less so. Proliferation would accelerate as alliances lost their ability to reassure friends and deter foes. Spheres of influence could arise. Trade would become more managed, at best growing more slowly, but possibly even shrinking. The U.S. dollar would begin to lose its unique place in the global economy, with alternatives such as the euro, and possibly the renminbi and various cryptocurrencies, growing in importance. U.S. indebtedness could become a major liability. The global order that existed for 75 years would surely end; the only question is what, if anything, would take its place.

A great deal hinges on which course the United States follows. Even a partial restoration would make Trump’s foreign policy something of an aberration, in which case its impact would prove limited. But if his brand of foreign policy persists for another four years, Trump will be seen as a truly consequential president. In this scenario, the model embraced by the United States from World War II until 2016 will prove to be the aberration—a relatively brief exception in a longer tradition of isolationism, protectionism, and nationalist unilateralism. History makes it impossible to view this latter prospect with anything but alarm. 🌐



**THE ERA  
OF U.S.-CHINESE  
COMPETITION**

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# The China Reckoning

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## How Beijing Defied American Expectations

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*Kurt M. Campbell and Ely Ratner*

MARCH/APRIL 2018

**T**he United States has always had an outsize sense of its ability to determine China's course. Again and again, its ambitions have come up short. After World War II, George Marshall, the U.S. special envoy to China, hoped to broker a peace between the Nationalists and Communists in the Chinese Civil War. During the Korean War, the Truman administration thought it could dissuade Mao Zedong's troops from crossing the Yalu River. The Johnson administration believed Beijing would ultimately circumscribe its involvement in Vietnam. In each instance, Chinese realities upset American expectations.

With U.S. President Richard Nixon's opening to China, Washington made its biggest and most optimistic bet yet. Both Nixon and Henry Kissinger, his national security adviser, assumed that rapprochement would drive a wedge between Beijing and Moscow and, in time, alter China's conception of its own interests as it drew closer to the United States. In the fall of 1967, Nixon wrote in this magazine, "The world cannot be safe until China changes. Thus our aim, to the

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**KURT M. CAMPBELL** is Chairman of the Asia Group and was U.S. Assistant Secretary of State for East Asian and Pacific Affairs from 2009 to 2013.

**ELY RATNER** is Maurice R. Greenberg Senior Fellow for China Studies at the Council on Foreign Relations and was Deputy National Security Adviser to U.S. Vice President Joe Biden from 2015 to 2017.



extent that we can influence events, should be to induce change.” Ever since, the assumption that deepening commercial, diplomatic, and cultural ties would transform China’s internal development and external behavior has been a bedrock of U.S. strategy. Even those in U.S. policy circles who were skeptical of China’s intentions still shared the underlying belief that U.S. power and hegemony could readily mold China to the United States’ liking.

Nearly half a century since Nixon’s first steps toward rapprochement, the record is increasingly clear that Washington once again put too much faith in its power to shape China’s trajectory. All sides of the policy debate erred: free traders and financiers who foresaw inevitable and increasing openness in China, integrationists who argued that Beijing’s ambitions would be tamed by greater interaction with the international community, and hawks who believed that China’s power would be abated by perpetual American primacy.

Neither carrots nor sticks have swayed China as predicted. Diplomatic and commercial engagement have not brought political and economic openness. Neither U.S. military power nor regional balancing has stopped Beijing from seeking to displace core components of the U.S.-led system. And the liberal international order has failed to lure or bind China as powerfully as expected. China has instead pursued its own course, belying a range of American expectations in the process.

That reality warrants a clear-eyed rethinking of the United States’ approach to China. There are plenty of risks that come with such a reassessment; defenders of the current framework will warn against destabilizing the bilateral relationship or inviting a new Cold War. But building a stronger and more sustainable approach to, and relationship with, Beijing requires honesty about how many fundamental assumptions have turned out wrong. Across the ideological spectrum, we in the U.S. foreign policy community have remained deeply invested in expectations about China—about its approach to economics, domestic politics, security, and global order—even as evidence against them has accumulated. The policies built on such expectations have failed to change China in the ways we intended or hoped.

## **THE POWER OF THE MARKET**

Greater commercial interaction with China was supposed to bring gradual but steady liberalization of the Chinese economy. U.S. President George H. W. Bush’s 1990 National Security Strategy described enhanced

ties with the world as “crucial to China’s prospects for regaining the path of economic reform.” This argument predominated for decades. It drove U.S. decisions to grant China most-favored-nation trading status in the 1990s, to support its accession to the World Trade Organization in 2001, to establish a high-level economic dialogue in 2006, and to negotiate a bilateral investment treaty under U.S. President Barack Obama.

Trade in goods between the United States and China exploded from less than \$8 billion in 1986 to over \$578 billion in 2016: more than a 30-fold increase, adjusting for inflation. Since the early years of this century, however, China’s economic liberalization has stalled. Contrary to Western expectations, Beijing has doubled down on its state capitalist model even as it has gotten richer. Rather than becoming a force for greater openness, consistent growth has served to legitimize the Chinese Communist Party and its state-led economic model.

U.S. officials believed that debt, inefficiency, and the demands of a more advanced economy would necessitate further reforms. And Chinese officials recognized the problems with their approach; in 2007, Premier Wen Jiabao called the Chinese economy “unstable, unbalanced, uncoordinated, and unsustainable.” But rather than opening the country up to greater competition, the Chinese Communist Party, intent on maintaining control of the economy, is instead consolidating state-owned enterprises and pursuing industrial policies (notably its “Made in China 2025” plan) that aim to promote national technology champions in critical sectors, including aerospace, biomedicine, and robotics. And despite repeated promises, Beijing has resisted pressure from Washington and elsewhere to level the playing field for foreign companies. It has restricted market access and forced non-Chinese firms to sign on to joint ventures and share technology, while funneling investment and subsidies to state-backed domestic players.

Until recently, U.S. policymakers and executives mostly acquiesced to such discrimination; the potential commercial benefits were so large that they considered it unwise to upend the relationship with protectionism or sanctions. Instead, they fought tooth and nail for small, incremental concessions. But now, what were once seen as merely the short-term frustrations of doing business with China have come to seem more harmful and permanent. The American Chamber of Commerce reported last year that eight in ten U.S. companies felt less welcome in China than in years prior, and more than 60 percent had little or no confidence that China would open its markets further over

the next three years. Cooperative and voluntary mechanisms to pry open China's economy have by and large failed, including the Trump administration's newly launched Comprehensive Economic Dialogue.

### **THE IMPERATIVE OF LIBERALIZATION**

Growth was supposed to bring not just further economic opening but also political liberalization. Development would spark a virtuous cycle, the thinking went, with a burgeoning Chinese middle class demanding new rights and pragmatic officials embracing legal reforms that would be necessary for further progress. This evolution seemed especially certain after the collapse of the Soviet Union and democratic transitions in South Korea and Taiwan. "No nation on Earth has discovered a way to import the world's goods and services while stopping foreign ideas at the border," George H. W. Bush proclaimed. U.S. policy aimed to facilitate this process by sharing technology, furthering trade and investment, promoting people-to-people exchanges, and admitting hundreds of thousands of Chinese students to American universities.

The crackdown on pro-democracy protesters in Tiananmen Square in 1989 dimmed hopes for the emergence of electoral democracy in China. Yet many experts and policymakers in the United States still expected the Chinese government to permit greater press freedoms and allow for a stronger civil society, while gradually embracing more political competition both within the Communist Party and at local levels. They believed that the information technology revolution of the 1990s would encourage such trends by further exposing Chinese citizens to the world and enhancing the economic incentives for openness. As U.S. President Bill Clinton put it, "Without the full freedom to think, question, to create, China will be at a distinct disadvantage, competing with fully open societies in the information age where the greatest source of national wealth is what resides in the human mind." Leaders in Beijing would come to realize that only by granting individual freedoms could China thrive in a high-tech future.

But the fear that greater openness would threaten both domestic stability and the regime's survival drove China's leaders to look for an alternative approach. They took both the shock of Tiananmen Square and the dissolution of the Soviet Union as evidence of the dangers of democratization and political competition. So rather than embracing positive cycles of openness, Beijing responded to the forces of globalization by putting up walls and tightening state control, constricting,

rather than reinforcing, the free flow of people, ideas, and commerce. Additional stresses on the regime in this century—including an economic slowdown, endemic corruption in the government and the military, and ominous examples of popular uprisings elsewhere in the world—have spurred more authoritarianism, not less.

Indeed, events of the last decade have dashed even modest hopes for political liberalization. In 2013, an internal Communist Party memo known as Document No. 9 explicitly warned against “Western constitutional democracy” and other “universal values” as stalking-horses meant to weaken, destabilize, and even break up China. This guidance demonstrated the widening gap between U.S. and Chinese expectations for the country’s political future. As Orville Schell, a leading American expert on China, put it: “China is sliding ineluctably backward into a political climate more reminiscent of Mao Zedong in the 1970s than Deng Xiaoping in the 1980s.” Today, an ongoing crackdown on journalists, religious leaders, academics, social activists, and human rights lawyers shows no sign of abating—more than 300 lawyers, legal assistants, and activists were detained in 2015 alone.

Rather than devolving power to the Chinese people, as many in the West predicted, communications technologies have strengthened the hand of the state, helping China’s authorities control information flows and monitor citizens’ behavior. Censorship, detentions, and a new cybersecurity law that grants broad government control over the Internet in China have stymied political activity inside China’s “Great Firewall.” China’s twenty-first-century authoritarianism now includes plans to launch a “social credit system,” fusing big data and artificial intelligence to reward and punish Chinese citizens on the basis of their political, commercial, social, and online activity. Facial recognition software, combined with the ubiquity of surveillance cameras across China, has even made it possible for the state to physically locate people within minutes.

### **THE DETERRENT OF PRIMACY**

A combination of U.S. diplomacy and U.S. military power—carrots and sticks—was supposed to persuade Beijing that it was neither possible nor necessary to challenge the U.S.-led security order in Asia. Washington “strongly promot[ed] China’s participation in regional security mechanisms to reassure its neighbors and assuage its own security concerns,” as the Clinton administration’s 1995 National Se-

curity Strategy put it, buttressed by military-to-military relations and other confidence-building measures. These modes of engagement were coupled with a “hedge”—enhanced U.S. military power in the region, supported by capable allies and partners. The effect, the thinking went, would be to allay military competition in Asia and further limit China’s desire to alter the regional order. Beijing would settle for military sufficiency, building armed forces for narrow regional contingencies while devoting most of its resources to domestic needs.

The logic was not simply that China would be focused on its self-described “strategic window of opportunity” for development at home, with plenty of economic and social challenges occupying the attention of China’s senior leaders. American policymakers and academics also assumed that China had learned a valuable lesson from the Soviet Union about the crippling costs of getting into an arms race with the United States. Washington could thus not only deter Chinese aggression but also—to use the Pentagon’s term of art—“dissuade” China from even trying to compete. Zalmay Khalilzad, an official in the Reagan and both Bush administrations, argued that a dominant United States could “convince the Chinese leadership that a challenge would be difficult to prepare and extremely risky to pursue.” Moreover, it was unclear whether China could challenge U.S. primacy even if it wanted to. Into the late 1990s, the People’s Liberation Army (PLA) was considered decades behind the United States’ military and those of its allies.

Against this backdrop, U.S. officials took considerable care not to stumble into a confrontation with China. The political scientist Joseph Nye explained the thinking when he led the Pentagon’s Asia office during the Clinton administration: “If we treated China as an enemy, we were guaranteeing an enemy in the future. If we treated China as a friend, we could not guarantee friendship, but we could at least keep open the possibility of more benign outcomes.” Soon-to-be Secretary of State Colin Powell told Congress at his confirmation hearing in January 2001, “China is not an enemy, and our challenge is to keep it that way.”

Even as it began investing more of its newfound wealth in military power, the Chinese government sought to put Washington at ease, signaling continued adherence to the cautious, moderate foreign policy path set out by Deng. In 2005, the senior Communist Party official Zheng Bijian wrote in this magazine that China would never seek regional hegemony and remained committed to “a peaceful rise.” In

2011, after a lively debate among China's leaders about whether it was time to shift gears, State Councilor Dai Bingguo assured the world that "peaceful development is a strategic choice China has made." Starting in 2002, the U.S. Defense Department had been producing a congressionally mandated annual report on China's military, but the consensus among senior U.S. officials was that China remained a distant and manageable challenge.

That view, however, underestimated just how simultaneously insecure and ambitious China's leadership really was. For Beijing, the United States' alliances and military presence in Asia posed unacceptable threats to China's interests in Taiwan, on the Korean Peninsula, and in the East China and South China Seas. In the words of the Peking University professor Wang Jisi, "It is strongly believed in China that . . . Washington will attempt to prevent the emerging powers, in particular China, from achieving their goals and enhancing their stature." So China started to chip away at the U.S.-led security order in Asia, developing the capabilities to deny the U.S. military access to the region and driving wedges between Washington and its allies.

Ultimately, neither U.S. military power nor American diplomatic engagement has dissuaded China from trying to build a world-class military of its own. High-tech displays of American power in Iraq and elsewhere only accelerated efforts to modernize the PLA. Chinese President Xi Jinping has launched military reforms that will make Chinese forces more lethal and more capable of projecting military power well beyond China's shores. With its third aircraft carrier reportedly under construction, advanced new military installations in the South China Sea, and its first overseas military base in Djibouti, China is on the path to becoming a military peer the likes of which the United States has not seen since the Soviet Union. China's leaders no longer repeat Deng's dictum that, to thrive, China will "hide [its] capabilities and bide [its] time." Xi declared in October 2017 that "the Chinese nation has gone from standing up, to becoming rich, to becoming strong."

## **THE CONSTRAINTS OF ORDER**

At the end of World War II, the United States built institutions and rules that helped structure global politics and the regional dynamics in Asia. Widely accepted norms, such as the freedom of commerce and navigation, the peaceful resolution of disputes, and international

cooperation on global challenges, superseded nineteenth-century spheres of influence. As a leading beneficiary of this liberal international order, the thinking went, Beijing would have a considerable stake in the order's preservation and come to see its continuation as essential to China's own progress. U.S. policy aimed to encourage Beijing's involvement by welcoming China into leading institutions and working with it on global governance and regional security.

As China joined multilateral institutions, U.S. policymakers hoped that it would learn to play by the rules and soon begin to contribute to their upkeep. In the George W. Bush administration, Deputy Secretary of State Robert Zoellick memorably called on Beijing to become "a responsible stakeholder" in the international system. From Washington's perspective, with greater power came greater obligation, especially since China had profited so handsomely from the system. As Obama emphasized, "We expect China to help uphold the very rules that have made them successful."

In certain venues, China appeared to be steadily, if unevenly, taking on this responsibility. It joined the Asia-Pacific Economic Cooperation organization in 1991, acceded to the Nuclear Nonproliferation Treaty in 1992, joined the World Trade Organization in 2001, and took part in major diplomatic efforts, including the six-party talks and the P5+1 negotiations to deal with nuclear weapons programs in North Korea and Iran, respectively. It also became a major contributor to UN counterpiracy and peacekeeping operations.

Yet Beijing remained threatened by other central elements of the U.S.-led order—and has increasingly sought to displace them. That has been especially true of what it sees as uninvited violations of national sovereignty by the United States and its partners, whether in the form of economic sanctions or military action. Liberal norms regarding the international community's right or responsibility to intervene to protect people from human rights violations, for example, have run headlong into China's paramount priority of defending its authoritarian system from foreign interference. With a few notable exceptions, China has been busy watering down multilateral sanctions, shielding regimes from Western opprobrium, and making common cause with Russia to block the UN Security Council from authorizing interventionist actions. A number of nondemocratic governments—in Sudan, Syria, Venezuela, Zimbabwe, and elsewhere—have benefited from such obstruction.

China has also set out to build its own set of regional and international institutions—with the United States on the outside looking in—rather than deepening its commitment to the existing ones. It has launched the Asian Infrastructure Investment Bank, the New Development Bank (along with Brazil, Russia, India, and South Africa), and, most notably, the Belt and Road Initiative, Xi’s grandiose vision for building land and maritime routes to connect China to much of the world. These institutions and programs have given China agenda-setting and convening power of its own, while often departing from the standards and values upheld by existing international institutions. Beijing explicitly differentiates its approach to development by noting that, unlike the United States and European powers, it does not demand that countries accept governance reforms as a condition of receiving aid.

In its own region, meanwhile, Beijing has set out to change the security balance, incrementally altering the status quo with steps just small enough to avoid provoking a military response from the United States. In the South China Sea, one of the world’s most important waterways, China has deftly used coast guard vessels, legal warfare, and economic coercion to advance its sovereignty claims. In some cases, it has simply seized contested territory or militarized artificial islands. While Beijing has occasionally shown restraint and tactical caution, the overall approach indicates its desire to create a modern maritime sphere of influence.

In the summer of 2016, China ignored a landmark ruling by a tribunal under the UN Convention on the Law of the Sea, which held that China’s expansive claims in the South China Sea were illegal under international law. U.S. officials wrongly assumed that some combination of pressure, shame, and its own desire for a rules-based maritime order would cause Beijing, over time, to accept the judgment. Instead, China has rejected it outright. Speaking to a security forum in Aspen, Colorado, a year after the ruling, in July 2017, a senior analyst from the CIA concluded that the experience had taught China’s leaders “that they can defy international law and get away with it.” Countries in the region, swayed by both their economic dependence on China and growing concerns about the United States’ commitment to Asia, have failed to push back against Chinese assertiveness as much as U.S. policymakers expected they would.



## **TAKING STOCK**

As the assumptions driving U.S. China policy have started to look increasingly tenuous, and the gap between American expectations and Chinese realities has grown, Washington has been largely focused elsewhere. Since 2001, the fight against jihadist terrorism has consumed the U.S. national security apparatus, diverting attention from the changes in Asia at exactly the time China was making enormous military, diplomatic, and commercial strides. U.S. President George W. Bush initially referred to China as a “strategic competitor”; in the wake of the September 11 attacks, however, his 2002 National Security Strategy declared, “The world’s great powers find ourselves on the same side—united by common dangers of terrorist violence and chaos.” During the Obama administration, there was an effort to “pivot,” or “rebalance,” strategic attention to Asia. But at the end of Obama’s time in office, budgets and personnel remained focused on other regions—there were, for example, three times as many National Security Council staffers working on the Middle East as on all of East and Southeast Asia.

This strategic distraction has given China the opportunity to press its advantages, further motivated by the increasingly prominent view in China that the United States (along with the West more broadly) is in inexorable and rapid decline. Chinese officials see a United States that has been hobbled for years by the global financial crisis, its costly war efforts in Afghanistan and Iraq, and deepening dysfunction in Washington. Xi has called on China to become “a global leader in terms of comprehensive national strength and international influence” by midcentury. He touts China’s development model as a “new option for other countries.”

Washington now faces its most dynamic and formidable competitor in modern history. Getting this challenge right will require doing away with the hopeful thinking that has long characterized the United States’ approach to China. The Trump administration’s first National Security Strategy took a step in the right direction by interrogating past assumptions in U.S. strategy. But many of Donald Trump’s policies—a narrow focus on bilateral trade deficits, the abandonment of multilateral trade deals, the questioning of the value of alliances, and the downgrading of human rights and diplomacy—have put Washington at risk of adopting an approach that is confrontational without being competitive; Beijing, meanwhile, has managed to be increasingly competitive without being confrontational.

The starting point for a better approach is a new degree of humility about the United States' ability to change China. Neither seeking to isolate and weaken it nor trying to transform it for the better should be the lodestar of U.S. strategy in Asia. Washington should instead focus more on its own power and behavior, and the power and behavior of its allies and partners. Basing policy on a more realistic set of assumptions about China would better advance U.S. interests and put the bilateral relationship on a more sustainable footing. Getting there will take work, but the first step is relatively straightforward: acknowledging just how much our policy has fallen short of our aspirations. 🌐

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# Competition Without Catastrophe

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How America Can Both Challenge and Coexist With China

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*Kurt M. Campbell and Jake Sullivan*

SEPTEMBER/OCTOBER 2019

**T**he United States is in the midst of the most consequential rethinking of its foreign policy since the end of the Cold War. Although Washington remains bitterly divided on most issues, there is a growing consensus that the era of engagement with China has come to an unceremonious close. The debate now is over what comes next.

Like many debates throughout the history of U.S. foreign policy, this one has elements of both productive innovation and destructive demagoguery. Most observers can agree that, as the Trump administration's National Security Strategy put it in 2018, "strategic competition" should animate the United States' approach to Beijing going forward. But foreign policy frameworks beginning with the word "strategic" often raise more questions than they answer. "Strategic patience" reflects uncertainty about what to do and when. "Strategic ambiguity" reflects uncertainty about what to signal. And

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**KURT M. CAMPBELL** is Chair and CEO of the Asia Group. He is 2018-19 Kissinger Fellow at the McCain Institute and was U.S. Assistant Secretary of State for East Asian and Pacific Affairs from 2009 to 2013.

**JAKE SULLIVAN** is a Nonresident Senior Fellow at the Carnegie Endowment for International Peace. He served as National Security Adviser to the U.S. Vice President in 2013-14 and as Director of Policy Planning at the U.S. Department of State in 2011-13.

in this case, “strategic competition” reflects uncertainty about what that competition is over and what it means to win.

The rapid coalescence of a new consensus has left these essential questions about U.S.-Chinese competition unanswered. What, exactly, is the United States competing for? And what might a plausible desired outcome of this competition look like? A failure to connect competitive means to clear ends will allow U.S. policy to drift toward competition for competition’s sake and then fall into a dangerous cycle of confrontation.

U.S. policymakers and analysts have mostly, and rightly, discarded some of the more optimistic assumptions that underpinned the four-decade-long strategy of diplomatic and economic engagement with China (which one of us, Kurt Campbell, detailed in these pages last year, writing with Ely Ratner). But in the rush to embrace competition, policymakers may be substituting a new variety of wishful thinking for the old. The basic mistake of engagement was to assume that it could bring about fundamental changes to China’s political system, economy, and foreign policy. Washington risks making a similar mistake today, by assuming that competition can succeed in transforming China where engagement failed—this time forcing capitulation or even collapse.

Despite the many divides between the two countries, each will need to be prepared to live with the other as a major power. The starting point for the right U.S. approach must be humility about the capacity of decisions made in Washington to determine the direction of long-term developments in Beijing. Rather than relying on assumptions about China’s trajectory, American strategy should be durable whatever the future brings for the Chinese system. It should seek to achieve not a definitive end state akin to the Cold War’s ultimate conclusion but a steady state of clear-eyed coexistence on terms favorable to U.S. interests and values.

Such coexistence would involve elements of competition and cooperation, with the United States’ competitive efforts geared toward securing those favorable terms. This might mean considerable friction in the near term as U.S. policy moves beyond engagement—whereas in the past, the avoidance of friction, in the service of positive ties, was an objective unto itself. Going forward, China policy must be about more than the kind of relationship the United States wants to have; it must also be about the kinds of interests the United States wants to secure. The steady state Washington should pursue is rightly

about both: a set of conditions necessary for preventing a dangerous escalatory spiral, even as competition continues.

U.S. policymakers should not dismiss this objective as out of reach. It is true, of course, that China will have a say in whether this outcome is possible. Vigilance will thus need to remain a watchword in U.S.-Chinese relations in the period ahead. Although coexistence offers the best chance to protect U.S. interests and prevent inevitable tension from turning into outright confrontation, it does not mean the end of competition or surrender on issues of fundamental importance. Instead, coexistence means accepting competition as a condition to be managed rather than a problem to be solved.

### **COLD WAR LESSONS, NOT COLD WAR LOGIC**

Given the current hazy discourse on competition, there is an understandable temptation to reach back to the only great-power competition Americans remember to make sense of the present one: the Cold War. The analogy has intuitive appeal. Like the Soviet Union, China is a continent-sized competitor with a repressive political system and big ambitions. The challenge it poses is global and lasting, and meeting that challenge will require the kind of domestic mobilization that the United States pursued in the 1950s and 1960s.

But the analogy is ill fitting. China today is a peer competitor that is more formidable economically, more sophisticated diplomatically, and more flexible ideologically than the Soviet Union ever was. And unlike the Soviet Union, China is deeply integrated into the world and intertwined with the U.S. economy. The Cold War truly was an existential struggle. The U.S. strategy of containment was built on the prediction that the Soviet Union would one day crumble under its own weight—that it contained “the seeds of its own decay,” as George Kennan, the diplomat who first laid out the strategy, declared with conviction.

No such prediction holds today; it would be misguided to build a neo-containment policy on the premise that the current Chinese state will eventually collapse, or with that as the objective. Despite China’s many demographic, economic, and environmental challenges, the Chinese Communist Party has displayed a remarkable ability to adapt to circumstances, often brutally so. Its fusion of mass surveillance and artificial intelligence, meanwhile, is enabling a more effective digital authoritarianism—one that makes the collective action necessary for reform or revolution hard to contemplate, let alone organize. China may

well encounter serious internal problems, but an expectation of collapse cannot form the basis of a prudent strategy. Even if the state does collapse, it is likely to be the result of internal dynamics rather than U.S. pressure.

The Cold War analogy at once exaggerates the existential threat posed by China and discounts the strengths Beijing brings to long-term competition with the United States. Although the risk of conflict in Asia's hot spots is serious, it is by no means as high, nor is the threat of nuclear escalation as great, as it was in Cold War Europe. The kind of nuclear brinkmanship that took place over Berlin and Cuba has no corollary in U.S.-Chinese ties. Nor has U.S.-Chinese competition plunged the world into proxy wars or created rival blocs of ideologically aligned states preparing for armed struggle.

Despite the diminished danger, however, China represents a far more challenging competitor. In the last century, no other U.S. adversary, including the Soviet Union, ever reached 60 percent of U.S. GDP. China passed that threshold in 2014; in purchasing-power terms, its GDP is already 25 percent greater than that of the United States. China is the emerging global leader in several economic sectors, and its economy is more diversified, flexible, and sophisticated than the Soviet Union's ever was.

Beijing is also better at converting its country's economic heft into strategic influence. Whereas the Soviet Union was hamstrung by a closed economy, China has embraced globalization to become the top trading partner for more than two-thirds of the world's nations. The kinds of economic, people-to-people, and technological linkages that were lacking in the militarized U.S.-Soviet conflict define China's relationship with the United States and the wider world. As a global economic actor, China is central to the prosperity of American allies and partners; its students and tourists flow through global universities and cities; its factories are the forge for much of the world's advanced technology. This thick web of ties makes it difficult to even start to determine which countries are aligned with the United States and which are aligned with China. Ecuador and Ethiopia might look to Beijing for investment or for surveillance technologies, but they hardly see these purchases as part of a conscious turn away from the United States.

Even as China emerges as a more formidable competitor than the Soviet Union, it has also become an essential U.S. partner. Global problems that are difficult enough to solve even when the United States and China work together will be impossible to solve if they fail

to do so—climate change foremost among them, given that the United States and China are the two biggest polluters. A host of other transnational challenges—economic crises, nuclear proliferation, global pandemics—also demand some degree of joint effort. This imperative for cooperation has little parallel in the Cold War.

While the notion of a new Cold War has brought calls for an updated version of containment, resistance to such thinking has come from advocates of an accommodative “grand bargain” with China. Such a bargain would go well beyond the terms of U.S.-Soviet *détente*: in this scenario, the United States would effectively concede to China a sphere of influence in Asia. Proponents defend this concession as necessary given the United States’ domestic headwinds and relative decline. This position is sold as realistic, but it is no more tenable than containment. Ceding the world’s most dynamic region to China would do long-term harm to American workers and businesses. It would damage American allies and values by turning sovereign partners into bargaining chips. A grand bargain would also require stark and permanent U.S. concessions, such as the abrogation of U.S. alliances or even of the right to operate in the western Pacific, for speculative promises. Not only are these costs unacceptable; a grand bargain would also be unenforceable. A rising China would likely violate the agreement when its preferences and power changed.

Advocates of neo-containment tend to see any call for managed coexistence as an argument for a version of the grand bargain; advocates of a grand bargain tend to see any suggestion of sustained competition as a case for a version of containment. That divide obscures a course between these extremes—one that is not premised on Chinese capitulation or on U.S.-Chinese condominium.

Instead, the goal should be to establish favorable terms of coexistence with Beijing in four key competitive domains—military, economic, political, and global governance—thereby securing U.S. interests without triggering the kind of threat perceptions that characterized the U.S.-Soviet rivalry. Washington should heed the lessons of the Cold War while rejecting the idea that its logic still applies.

## **TOWARD SUSTAINABLE DETERRENCE**

In contrast to the military competition of the Cold War, which was a truly global struggle, the dangers for Washington and Beijing are likely to be confined to the Indo-Pacific. Even so, the region features at least

four potential hot spots: the South China Sea, the East China Sea, the Taiwan Strait, and the Korean Peninsula. Neither side wishes for conflict, but tensions are rising as both invest in offensive capabilities, boost their military presence in the region, and operate in ever-closer proximity. Washington fears that China is trying to push U.S. forces out of the western Pacific, and Beijing fears that the United States is trying to hem it in. Given China's harassment of U.S. aircraft and naval vessels, minor incidents risk escalating into major military confrontations; Admiral Wu Shengli, the former naval commander of the People's Liberation Army, has warned that any such incident "could spark war."

But coexistence in the Indo-Pacific by both militaries should not be dismissed as impossible. The United States must accept that military primacy will be difficult to restore, given the reach of China's weapons, and instead focus on deterring China from interfering with its freedom of maneuver and from physically coercing U.S. allies and partners. Beijing will have to accept that the United States will remain a resident power in the region, with a major military presence, naval operations in its major waterways, and a network of alliances and partnerships.

Taiwan and the South China Sea are likely to present the most significant challenges to this overall approach. A military provocation or misunderstanding in either case could easily trigger a larger conflagration, with devastating consequences, and this risk must increasingly animate the thinking of senior leaders in both Washington and Beijing.

On Taiwan, a tacit commitment not to unilaterally alter the status quo is perhaps the best that can be hoped for given the historical complexities involved. Yet Taiwan is not only a potential flash point; it is also the greatest unclaimed success in the history of U.S.-Chinese relations. The island has grown, prospered, and democratized in the ambiguous space between the United States and China as a result of the flexible and nuanced approach generally adopted by both sides. In this way, the diplomacy surrounding Taiwan could serve as a model for the increasingly challenging diplomacy between Washington and Beijing on a variety of other issues, which are similarly likely to include intense engagement, mutual vigilance and a degree of distrust, and a measure of patience and necessary restraint. Meanwhile, in the South China Sea, Beijing's understanding that threats to freedom of navigation could have devastating consequences for China's own economy might help—when combined with U.S. deterrence—modulate its more nationalist sentiments.



To achieve such coexistence, Washington will need to enhance both U.S.-Chinese crisis management and its own capacity for deterrence. Even as Cold War adversaries, the United States and the Soviet Union worked concertedly to reduce the risk that an accidental collision would escalate to nuclear war; they set up military hot lines, established codes of conduct, and signed arms control agreements. The United States and China lack similar instruments to manage crises at a time when new domains of potential conflict, such as space and cyberspace, have increased the risk of escalation.

In every military domain, the two countries need agreements that are at least as formal and detailed as the U.S.-Soviet Incidents at Sea Agreement, a 1972 deal that established a set of specific rules aimed at avoiding maritime misunderstandings. The United States and China also need more communication channels and mechanisms to avoid conflict—especially in the South China Sea—to allow each side to quickly clarify the other’s intentions during an incident. The bilateral military relationship should no longer be held hostage to political disagreements, and senior military officials on both sides should engage in more frequent and substantive discussions to build personal ties as well as understandings of each side’s operations. Historically, progress on some of these efforts, especially crisis communication, has proved difficult: Chinese leaders fear that crisis communication could embolden the United States to act with impunity and would require devolving too much authority to senior military officers in the field. But these worries may be easing, given China’s growing power and military reforms.

Effective U.S. strategy in this domain requires not just reducing the risk of unintentional conflict but also deterring intentional conflict. Beijing cannot be allowed to use the threat of force to pursue a *fait accompli* in territorial disputes. Yet managing this risk does not require U.S. military primacy within the region. As the former Trump administration defense official Elbridge Colby has argued, “deterrence without dominance—even against a very great and fearsome opponent—is possible.”

To ensure deterrence in the Indo-Pacific, Washington should reorient its investments away from expensive and vulnerable platforms, such as aircraft carriers, and toward cheaper asymmetric capabilities designed to discourage Chinese adventurism without spending vast sums. This calls for taking a page from Beijing’s own playbook. Just as China has relied on relatively cheap antiship cruise and ballistic mis-

siles, the United States should embrace long-range unmanned carrier-based strike aircraft, unmanned underwater vehicles, guided missile submarines, and high-speed strike weapons. All these weapons could protect U.S. and allied interests, even as they dent China's confidence that its offensive operations will succeed and reduce the risk of collision and miscalculation. The United States should also diversify some of its military presence toward Southeast Asia and the Indian Ocean, making use of access agreements rather than permanent basing when necessary. This would place some U.S. forces beyond China's precision-strike complex, preserving their ability to promptly address crises. It would also preposition them to address a wide range of contingencies beyond conflicts involving China, including humanitarian assistance, disaster relief, and antipiracy missions.

### **ESTABLISHING RECIPROCITY**

Unlike the Soviet Union, which focused its resources on military power, China views geoeconomics as the primary arena of competition. With an eye toward the future, it has invested heavily in emerging industries and technologies, including artificial intelligence, robotics, advanced manufacturing, and biotechnology. China seeks dominance in these fields in part by denying Western companies reciprocal treatment. The United States granted China permanent normal trade relations, supported its entry into the World Trade Organization, and has generally maintained one of the world's most open markets. But through a combination of industrial policy, protectionism, and outright theft, China has put in place a range of formal and informal barriers to its markets and has exploited American openness.

This structural imbalance has eroded support for stable U.S.-Chinese economic ties, and the relationship faces a heightened risk of rupture even if Xi and U.S. President Donald Trump are able to reach a near-term trade truce. Many in the American business community are no longer willing to tolerate China's unfair practices, which include employing state hackers to steal intellectual property, forcing foreign companies to localize their operations and engage in joint ventures, subsidizing state champions, and otherwise discriminating against foreign companies.

Alleviating these growing frictions while protecting American workers and innovation will require making China's full access to major markets around the world contingent on its willingness to adopt

economic reforms at home. Washington, for its part, will have to invest in the core sources of American economic strength, build a united front of like-minded partners to help establish reciprocity, and safeguard its technological leadership while avoiding self-inflicted wounds.

The most decisive factor in the economic competition with China is U.S. domestic policy. The notion of a new “Sputnik moment”—one that galvanizes public research as powerfully as seeing the Soviet Union launch the world’s first satellite did—may be overstating the point, but government does have a role to play in advancing American economic and technological leadership. Yet the United States has turned away from precisely the kinds of ambitious public investments it made during that period—such as the Interstate Highway System championed by President Dwight Eisenhower and the basic research initiatives pushed by the scientist Vannevar Bush—even as it faces a more challenging economic competitor. Washington must dramatically increase funds for basic science research and invest in clean energy, biotechnology, artificial intelligence, and computing power. At the same time, the federal government should scale up its investments in education at all levels and in infrastructure, and it should adopt immigration policies that continue to enhance the United States’ demographic and skills advantage. Calling for a tougher line on China while starving public investments is self-defeating; describing these investments as “socialist,” given the competition, is especially ironic. Indeed, such strange ideological bedfellows as Senator Elizabeth Warren, Democrat of Massachusetts, and Senator Marco Rubio, Republican of Florida, are making a convincing case for a new U.S. industrial policy.

On top of this domestic foundation, Washington should work with like-minded nations to define a new set of standards on issues that the World Trade Organization does not currently address, from state-owned enterprises to indigenous innovation policies to digital trade. Ideally, these standards would connect Asia and Europe. To this end, the United States should consider starting a rules-setting initiative of market democracies layered over the WTO system, which would fill these gaps. The logic is straightforward. If China hopes to enjoy equal access to this new economic community, its own economic and regulatory frameworks must meet the same standards. The combined gravitational pull of this community would present China with a choice: either curb its free-riding and start complying with trade rules, or accept less favorable terms from more than half of the global economy.

If Beijing chooses to hold to the line that the necessary reforms amount to economic regime change, it can certainly do so, but the world would be well within its rights to offer China reciprocal treatment. In some cases, Washington may still need to impose reciprocal measures on China unilaterally, by treating its exports and investments the same way Beijing handles U.S. exports and investments. These efforts will be challenging and costly, which is precisely why the Trump administration's decision to pick trade fights with U.S. allies rather than rally them to a common position vis-à-vis China is such a waste of American leverage.

The United States will also have to safeguard its technological advantages in the face of China's intellectual property theft, targeted industrial policies, and commingling of its economic and security sectors. Doing so will require some enhanced restrictions on the flow of technology investment and trade in both directions, but these efforts should be pursued selectively rather than wholesale, imposing curbs on technologies that are critical to national security and human rights and allowing regular trade and investment to continue for those that are not. Even these targeted restrictions must be undertaken in consultation with industry and other governments; failing to do so could Balkanize the global technology ecosystem by impeding flows of knowledge and talent. Such a development would neutralize a key U.S. competitive advantage relative to China: an open economy that can source the best global talent and synthesize the biggest breakthroughs from around the world. Meanwhile, overreach on technology restrictions could drive other countries toward China, especially since China is already the largest trading partner for most.

In this respect, the Trump administration's loud and largely unilateral campaign against the participation of the Chinese company Huawei in the development of 5G infrastructure may provide a cautionary lesson. Had the administration coordinated with allies and partners in advance and tried some creative policymaking—for example, establishing a multilateral lending initiative to subsidize the purchase of alternatives to Huawei's equipment—it might have had more success in convincing states to consider other vendors. It then might have been able to make the most of the two-year delay Huawei now faces in rolling out 5G following its placement on the U.S. Department of Commerce's list of entities that cannot be supplied with American technology. Future efforts to restrict trade with China in the technol-

ogy sector will require careful deliberation, advance planning, and multilateral support if they are to be successful; otherwise, they will risk undermining U.S. innovation.

### **PRO-DEMOCRACY, NOT ANTI-CHINA**

U.S.-Chinese economic and technological competition suggests an emerging contest of models. But unlike the Cold War, with its sharp ideological divide between two rival blocs, the lines of demarcation are fuzzier here. Although neither Washington nor Beijing is engaging in the kind of proselytizing characteristic of the Cold War, China may ultimately present a stronger ideological challenge than the Soviet Union did, even if it does not explicitly seek to export its system. If the international order is a reflection of its most powerful states, then China's rise to superpower status will exert a pull toward autocracy. China's fusion of authoritarian capitalism and digital surveillance may prove more durable and attractive than Marxism, and its support for autocrats and democratic backsliders will challenge American values and provide China cover for its own egregious practices, including the detention of more than one million ethnic Uighurs in northwestern China. Some may question whether the erosion of democratic governance across the world matters for U.S. interests; it does. Democratic governments are more likely to align with American values, pursue good governance, treat their people well, and respect other open societies, and all of this tends to make them more trustworthy and transparent and, in turn, better economic and security partners.

Washington can best establish favorable terms of coexistence with China in the political realm by focusing on advancing the appeal of these values for their own sake, not to score points in the context of U.S.-Chinese competition. As China's presence around the world grows, the United States should avoid a tendency that was all too common during the Cold War: to see third countries only in terms of their relationship to a rival government. Some of the Trump administration's policies—such as invoking the Monroe Doctrine in Latin America and delivering an address on Africa that is largely about countering China—echo this old approach. A tack that intentionally engages states on their own terms would do more to advance American interests and values than knee-jerk responses to Chinese initiatives that leave states feeling that Washington cares about them only as battlegrounds in its competition with Beijing.

China's Belt and Road Initiative offers the most obvious opportunity to apply this principle in practice. Rather than fight China at every turn—on every port, bridge, and rail line—the United States and its partners should make their own affirmative pitch to countries about the kinds of high-quality, high-standard investments that will best serve progress. Supporting investments not because they are anti-Chinese but because they are pro-growth, pro-sustainability, and pro-freedom will be much more effective over the long term—especially because China's state-led investments have provoked a degree of backlash in countries over cost overruns, no-bid contracts, corruption, environmental degradation, and poor working conditions.

In this light, the best defense of democracy is to stress the values that are essential to good governance, especially transparency and accountability, and to support civil society, independent media, and the free flow of information. Together, these steps could lower the risk of democratic backsliding, improve lives in the developing world, and reduce Chinese influence. This course of action will require an injection of multilateral funding from the United States and its allies and partners that can give countries genuine alternatives. But it will require something more fundamental, too: the United States needs to have greater confidence in the belief that investing in human capital and good governance will work out better over the long run than China's extractive approach.

Focusing on principles rather than scorekeeping will also be essential for setting norms for new technologies that raise hard questions about human ethics. From artificial intelligence to biotechnology, autonomous weapons to gene-edited humans, there will be a crucial struggle in the years ahead to define appropriate conduct and then pressure laggards to get in line. Washington should start shaping the parameters of these debates without further delay. Finally, coexistence with China does not, and cannot, preclude the United States from speaking out against China's egregious and inhumane treatment of its own citizens and the arbitrary detention of foreign nongovernmental organization workers. The West's relative silence on Beijing's internment of Uighurs has left a moral stain, and so the United States and its partners should mobilize international pressure to demand neutral third-party access to those who are detained and the sanctioning of the individuals and companies that are complicit in the detention. China may well threaten that such pressure will destabilize ties.

Yet Washington should make speaking out on human rights abuses a predictable and routine part of the relationship.

### **SEQUENCING COMPETITION AND COOPERATION**

It is often taken as an article of faith that as the U.S.-Chinese relationship becomes more competitive, the space for cooperation will shrink, if not disappear. But even as adversaries, the United States and the Soviet Union found ways to cooperate on a number of issues, including space exploration, contagious diseases, the environment, and the global commons. The need for cooperation between Washington and Beijing is far more acute, given the nature of contemporary challenges. Leaders in both countries should consider cooperation on such transnational challenges not as a concession by one party but as an essential need for both.

To get the balance between cooperation and competition right, Washington has to consider the sequencing of each. The United States has historically sought to cooperate first and compete second with China. Beijing, meanwhile, has become quite comfortable competing first and cooperating second, linking—either explicitly or implicitly—offers of cooperation to U.S. concessions in areas of strategic interest.

Going forward, Washington should avoid becoming an eager suitor on transnational challenges. Eagerness can actually limit the scope for cooperation by making it a bargaining chip. Although it may seem counterintuitive, competition is likely essential to effective cooperation with Beijing. In the zero-sum strategic mindset of many Chinese officials, perceptions of U.S. power and resolve matter enormously, and the Chinese bureaucracy has long focused on shifts in both. Given this sensitivity, it can be as important for Washington to demonstrate an ability to stand firm, and even to impose costs, as it is for it to speak earnestly about finding common cause. The best approach, then, will be to lead with competition, follow with offers of cooperation, and refuse to negotiate any linkages between Chinese assistance on global challenges and concessions on U.S. interests.

### **BEYOND THE BILATERAL**

There is one other lesson of the Cold War that U.S. policymakers should keep top of mind: that one of the United States' greatest strengths in its competition with China has less to do with the two countries than with everyone else. The combined weight of U.S. allies

and partners can shape China's choices across all domains—but only if Washington deepens all those relationships and works to tie them together. Although much of the discussion on U.S.-Chinese competition focuses on its bilateral dimension, the United States will ultimately need to embed its China strategy in a dense network of relationships and institutions in Asia and the rest of the world.

This is a lesson that the Trump administration would do well to remember. Instead of harnessing these enduring advantages, it has alienated many of the United States' traditional friends—with tariffs, demands of payment for military bases, and much more—and abandoned or undermined key institutions and agreements. Many international organizations, from the UN and the World Bank to the World Trade Organization, are institutions that the United States helped design and lead and that have established widely accepted rules of the road on such issues as freedom of navigation, transparency, dispute resolution, and trade. Retreating from these institutions provides short-term leeway and flexibility at the cost of long-term U.S. influence and allows Beijing to reshape norms and expand its own influence within those organizations.

The United States needs to get back to seeing alliances as assets to be invested in rather than costs to be cut. In the absence of any meaningful capacity to build its own network of capable allies, Beijing would like nothing more than for the United States to squander this long-term advantage. Establishing clear-eyed coexistence with China will be challenging under any conditions, but it will be virtually impossible without help. If the United States is to strengthen deterrence, establish a fairer and more reciprocal trading system, defend universal values, and solve global challenges, it simply cannot go it alone. It is remarkable that it must be said, but so it must: to be effective, any strategy of the United States must start with its allies. 🌐



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# The Sources of Chinese Conduct

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## Are Washington and Beijing Fighting a New Cold War?

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*Odd Arne Westad*

SEPTEMBER/OCTOBER 2019

**I**n February 1946, as the Cold War was coming into being, George Kennan, the chargé d'affaires at the U.S. embassy in Moscow, sent the State Department a 5,000-word cable in which he tried to explain Soviet behavior and outline a response to it. A year later, the text of his famous "Long Telegram" was expanded into a *Foreign Affairs* article, "The Sources of Soviet Conduct." Writing under the byline "X," Kennan argued that the Soviets' Marxist-Leninist ideology was for real and that this worldview, plus a deep sense of insecurity, was what drove Soviet expansionism. But this didn't mean that outright confrontation was inevitable, he pointed out, since "the Kremlin has no compunction about retreating in the face of superior force." What the United States had to do to ensure its own long-term security, then, was contain the Soviet threat. If it did, then Soviet power would ultimately crumble. Containment, in other words, was both necessary and sufficient.

Kennan's message became the canonical text for those who tried to understand the conflict between the United States and the Soviet Union. Always controversial and often revised (not least by the author himself), the containment strategy that Kennan laid out would define U.S. policy until the end of the Cold War. And as Kennan predicted,

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**ODD ARNE WESTAD** is Elihu Professor of History and Global Affairs at Yale University and the author of *The Cold War: A World History*.

when the end did come, it came not just because of the strength and steadfastness of the United States and its allies but even more because of weaknesses and contradictions in the Soviet system itself.

Now, more than 70 years later, the United States and its allies again face a communist rival that views the United States as an adversary and is seeking regional dominance and global influence. For many, including in Washington and Beijing, the analogy has become irresistible: there is a U.S.-Chinese cold war, and American policymakers need an updated version of Kennan's containment. This past April, Kiron Skinner, the director of policy planning at the State Department (the job Kennan held when "The Sources of Soviet Conduct" was published), explicitly called for a new "X" article, this time for China.

But if such an inquiry starts where Kennan's did—with an attempt to understand the other side's basic drivers—the differences become as pronounced as the parallels. It is these differences, the contrast between the sources of Soviet conduct then and the sources of Chinese conduct now, that stand to save the world from another Cold War.

## **FROM WEALTH TO POWER**

There are two central facts about China today. The first is that the country has just experienced a period of economic growth the likes of which the world had never before seen. The second is that it is ruled, increasingly dictatorially, by an unelected communist party that puts people in prison for their convictions and limits all forms of free expression and association. Under Xi Jinping, there are abundant signs that the Chinese Communist Party (CCP) wants to roll back even the limited freedoms that people took for themselves during the reform era of Deng Xiaoping. There are also indications that the party wants to bring private enterprise to heel, by intervening more directly in how businesses are run.

Behind these policies lies a growing insistence that China's model of development is superior to the West's. In a 2017 speech, Xi claimed that Beijing is "blazing a new trail for other developing countries to achieve modernization" and "offers a new option for other countries and nations who want to speed up their development while preserving their independence." According to the CCP, Western talk about democracy is simply a pretext for robbing poorer countries of their sovereignty and economic potential. Just as China has needed dictatorship to achieve extreme economic growth, the thinking goes, other countries may need

it, too. Although such convictions have been slow to find acolytes abroad, many Chinese have bought into the party's version of truth, believing with Xi that thanks to the party's leadership, "the Chinese nation, with an entirely new posture, now stands tall and firm in the East."

Such views are the product of both the unprecedented improvement in living standards in China and an increase in Chinese nationalism. The CCP issues relentless propaganda about the greatness and righteousness of China, and the Chinese people, understandably proud of what they have achieved, embrace it enthusiastically. The party also claims that the outside world, especially the United States, is out to undo China's progress, or at least prevent its further rise—just as Soviet propaganda used to do.

Making this nationalism even more sinister is the particular view of history endorsed by the Chinese leadership, which sees the history of China from the mid-nineteenth century to the Communists' coming to power in 1949 as an endless series of humiliations at the hands of foreign powers. While there is some truth to this version of events, the CCP also makes the frightening claim that the party itself is the only thing standing between the Chinese and further exploitation. Since it would be untenable for the party to argue that the country needs dictatorship because the Chinese are singularly unsuited to governing themselves, it must claim that the centralization of power in the party's hands is necessary for protecting against abuse by foreigners. But such extreme centralization of power could have extreme consequences. As Kennan correctly observed about the Soviet Union, "if . . . anything were ever to occur to disrupt the unity and efficacy of the Party as a political instrument, Soviet Russia might be changed overnight from one of the strongest to one of the weakest and most pitiable of national societies."

Another troubling aspect of nationalism in China today is that the country is a *de facto* empire that tries to behave as if it were a nation-state. More than 40 percent of China's territory—Inner Mongolia, Tibet, Xinjiang—was originally populated by people who do not see themselves as Chinese. Although the Chinese government grants special rights to these "minority nationalities," their homelands have been subsumed into a new concept of a Chinese nation and have gradually been taken over by the 98 percent of the population who are ethnically Chinese (or Han, as the government prefers to call them). Those who resist end up in prison camps, just as did those who argued for real self-government within the Soviet empire.

Externally, the Chinese government sustains the world's worst dystopia, next door in North Korea, and routinely menaces its neighbors, including the democratic government in Taiwan, which Beijing views as a breakaway province. Much of this is not to China's advantage politically or diplomatically. Its militarization of faraway islets in the South China Sea, its contest with Japan over the Senkaku/Diaoyu Islands, and its attempts at punishing South Korea over the acquisition of advanced missile defenses from the United States have all backfired: East Asia is much warier of Chinese aims today than it was a decade ago. (The percentage of South Koreans, for example, who viewed China's rise favorably fell from 66 percent in 2002 to 34 percent in 2017, according to the Pew Research Center.) Despite this dip in China's popularity, people across the region overwhelmingly believe that China will be the predominant regional power in the future and that they had better get ready.

This assumption is based primarily on China's spectacular economic growth. Today, China's economic power relative to the United States' exceeds what the Soviet Union's relative power was by a factor of two or three. Although that growth has now slowed, those who believe that China will soon go the way of Japan and fall into economic stagnation are almost certainly wrong. Even if foreign tariffs on Chinese goods stayed high, China has enough of an untapped domestic market to fuel the country's economic rise for years to come. And the rest of Asia, which is a much larger and more economically dynamic region than Western Europe was at the beginning of the Cold War, fears China enough to refrain from walling it off with tariffs.

It is in military and strategic terms that the competition between the United States and China is hardest to gauge. The United States today has tremendous military advantages over China: more than 20 times as many nuclear warheads, a far superior air force, and defense budgets that run at least three times as high as China's. It also has allies (Japan and South Korea) and prospective allies (India and Vietnam) in China's neighborhood that boast substantial military capabilities of their own. China has no equivalent in the Western Hemisphere.

And yet within the last decade, the balance of power in East Asia has shifted perceptibly in China's favor. Today, the country has enough ground-based ballistic missiles, aircraft, and ships to plausibly contend that it has achieved military superiority in its immediate backyard. The Chinese missile force presents such a challenge to U.S. air bases and

aircraft carriers in the Pacific that Washington can no longer claim supremacy in the region. The problem will only get worse, as China's naval capabilities are set to grow massively within the next few years, and its military technologies—especially its lasers, drones, cyber-operations, and capabilities in outer space—are fast catching up to those of the United States. Even though the United States currently enjoys far greater military superiority over China than it did over the Soviet Union, Beijing has the potential to catch up much more quickly and comprehensively than Moscow ever could. Overall, China is more of a match for the United States than the Soviet Union was when Kennan wrote down his thoughts.

### **PLUS ÇA CHANGE**

The similarities between China today and the Soviet Union of old may seem striking—starting, of course, with communist rule. For almost 40 years, blinded by China's market-led economic progress, the West had gotten used to downplaying the fact that the country was run by a communist dictatorship. In spite of occasional reminders of Chinese leaders' ruthlessness, such as the 1989 Tiananmen Square massacre, the Western consensus held that China was liberalizing and becoming more pluralistic. Today, such predictions look foolish: the CCP is strengthening its rule and intends to remain in power forever. "The great new project of Party building . . . is just getting into full swing," Xi announced in 2017. He added, "We must work harder to uphold the authority and centralized, unified leadership of the Central Committee. . . . The Party remains always the backbone of the nation."

Another similarity is that just as the Soviet Union sought predominance in Europe, China is seeking it in East Asia, a region that is as important to the United States today as Europe was at the beginning of the Cold War. The methods China is using are similar—political and military extortion, divide-and-rule tactics—and its capabilities are in fact greater. Unless the United States acts to countervail it, China is likely to become the undisputed master of East Asia, from Japan to Indonesia, by the late 2020s.

Like Soviet leaders, Chinese ones view the United States as the enemy. They are careful and courteous in public, and often declare their adherence to international norms, but in the party's internal communications, the line is always that the United States is planning to undermine China's rise through external aggression and internal subversion. "So long as we persist in CCP leadership and socialism

with Chinese characteristics,” went one 2013 communiqué, “the position of Western anti-China forces to pressure for urgent reform won’t change, and they’ll continue to point the spearhead of Westernizing, splitting, and ‘Color Revolutions’ at China.” Such anti-Americanism bears a striking resemblance to the type Stalin promoted in the late 1940s, including open appeals to nationalism. In 1949, the Soviet-led Cominform proclaimed that the West had “as its main aim the forcible establishment of Anglo-American world domination, the enslavement of foreign countries and peoples, the destruction of democracy and the unleashing of a new war.” The Americans, the CCP leadership tells its followers, hate us because we are Chinese. They are out to rule the world, and only the Communist Party stands in their way.

### **NOW AND THEN**

But China is not the Soviet Union. For one thing, Soviet ideology was inherently opposed to any long-term coexistence with the United States. From Lenin onward, Soviet leaders saw the world in zero-sum terms: bourgeois democracy and capitalism had to lose for communism to win. There could be alliances of convenience and even periods of détente, but in the end, their form of communism would have to be victorious everywhere for the Soviet Union to be safe. The CCP does not share such beliefs. It is nationalist rather than internationalist in outlook. The party sees Washington as an obstacle to its goals of preserving its own rule and gaining regional dominance, but it does not believe that the United States or its system of government has to be defeated in order to achieve these aims.

Moreover, Chinese society is more similar to American society than Soviet society ever was. In the Soviet Union, citizens generally accepted and conformed to socialist economic policies. Chinese, by contrast, appear to be interested above all in getting ahead in their competitive, market-oriented society. For the vast majority of them, communism is simply a name for the ruling party rather than an ideal to seek. True, some sympathize with Xi’s efforts to centralize power, believing that China needs strong leadership after the individualism of the 1990s and early years of this century went too far. But nobody, including Xi himself, wants to bring back the bad old days before the reform and opening began. For all his Maoist rhetoric, Xi, both in thought and practice, is much further removed from Mao Zedong than even the reform-minded Mikhail Gorbachev was from Lenin.

What's more, the Chinese have enjoyed a remarkably peaceful few decades. In 1947, the Russians had just emerged from 30-plus years of continuous war and revolution. In Kennan's words, they were "physically and spiritually tired." The Chinese have had the opposite experience: some two-thirds of the population have known nothing but peace and progress. The country's last foreign military intervention, in Vietnam, ended 30 years ago, and its last major conflict, the Korean War, ended almost 70 years ago. On the one hand, the past few decades of success have demonstrated the value of peace, making people wary of risking it all in war. On the other hand, the lack of near-term memories of war has led to a lot of loose talk about war among people who have never experienced it. These days, it is increasingly common to hear Chinese, especially the young, espousing the idea that their country may have to fight a war in order to avoid getting hemmed in by the United States. Xi and his group are not natural risk-takers. But in a crisis, the Chinese are more likely to resemble the Germans in 1914 than the Russians after World War II—excitable, rather than exhausted.

The global balance of power has also changed since Kennan's time. Today, the world is becoming not more bipolar but more multipolar. This process is gradual, but there is little doubt that the trend is real. Unlike in the Cold War, greater conflict between the two biggest powers today will not lead to bipolarity; rather, it will make it easier for others to catch up, since there are no ideological compulsions, and economic advantage counts for so much more. The more the United States and China beat each other up, the more room for maneuver other powers will have. The result may be a world of regional hegemons, and sooner rather than later.

The U.S. domestic situation also looks very different from the way it did at the beginning of the Cold War. There were divisions among voters and conflicts between parts of the government back then, but there was nothing compared to the polarization and gridlock that characterize American politics today. Now, the United States seems to have lost its way at home and abroad. Under the Trump administration, the country's overall standing in the world has never been lower, and even close allies no longer view Washington as a reliable partner. Since well before the presidency of Donald Trump, U.S. foreign policy elites have been lamenting the decline of any consensus on foreign affairs, but they have proved incapable of restoring it. Now, the rest of the world questions the United States' potential for leadership on is-

sues great and small, issues on which American guidance would have been considered indispensable in the past.

The U.S. economy is also intertwined with the Chinese economy in ways that would have been unimaginable with the Soviet economy. As Kennan knew well, economically speaking, the Soviets did not need to be contained; they contained themselves by refusing to join the world economy. China is very different, since about one-third of its GDP growth can be traced to exports, and the United States is its largest trading partner. Attempting to disentangle the United States' economy from China's through political means, such as travel restrictions, technology bans, and trade barriers, will not work, unless a de facto state of war makes economic interaction impossible. In the short run, tariffs could create a more level playing field, but in the long run, they may end up advantaging China by making it more self-reliant, to say nothing of the damage they would inflict on American prestige. And so the rivalry with China will have to be managed within the context of continued economic interdependence.

Finally, China's leaders have some international cards to play that the Soviets never held. Compared with the class-based politics Moscow was peddling during the Cold War, China's appeals for global unity on such issues as climate change, trade, and inequality could find far greater traction abroad. That would be ironic, given China's pollution, protectionism, and economic disparities. But because the United States has failed to take the lead on any of these issues, China's communist government may be able to convince foreigners that authoritarian governments handle such problems better than democracies do.

### **FOCUSING THE AMERICAN MIND**

The sources of Chinese conduct, along with the current global role of the United States, point to a rivalry of a different kind than the one Kennan saw coming in 1946 and 1947. The risk of immediate war is lower, and the odds of limited cooperation are higher. But the danger that nationalism will fuel ever-widening circles of conflict is probably greater, and China's determination to hack away at the United States' position in Asia is more tenacious than anything Stalin ever attempted in Europe. If the United States wants to compete, it must prepare for a long campaign for influence that will test its own ability for strategic prioritizing and long-term planning. That is especially true given that fast-moving economic and technological changes will make a tradi-



tional containment policy impossible—information travels so much more easily than before, especially to a country like China, which does not intend to cut itself off from the world.

Even though the pattern of conflict between the United States and China will look very different from the Cold War, that doesn't mean that Kennan's advice is irrelevant. For one thing, just as he envisioned continued U.S. involvement in Europe, the United States today needs to preserve and build deep relationships with Asian countries that are fearful of China's rising aggression. To counter the Soviet threat, Washington rolled out the Marshall Plan (which was partly Kennan's brainchild) in 1948 and created NATO (of which Kennan was at least partly skeptical) the following year. Today, likewise, U.S. alliances in Asia must have not only a security dimension but also an economic dimension. Indeed, the economic aspects are probably even more important today than they were 70 years ago, given that China is primarily an economic power. The removal of U.S. support for the Trans-Pacific Partnership was therefore much as if the Americans, having just invented NATO, suddenly decided to withdraw from it. The Trump administration's decision may have made domestic political sense, but in terms of foreign policy, it was a disaster, since it allowed China to claim that the United States was an unreliable partner in Asia.

Kennan also recognized that the United States would be competing with the Soviet Union for decades to come, and so U.S. statecraft would have to rely on negotiations and compromises as much as on military preparedness and intelligence operations. Kennan's fellow policymakers learned this lesson only gradually, but there is little doubt that the process of developing a mutual understanding contributed to the peaceful end of the Cold War. U.S. and Soviet officials had enough contact to make the best of a bad situation and stave off war long enough for the Soviets to change their approach to the United States and to international affairs in general.

China is even more likely to change its attitude than the Soviet Union was. The current struggle is not a clash of civilizations—or, even worse, of races, as Skinner suggested in April, when she pointed out that China is a “competitor that is not Caucasian.” Rather, it is a political conflict between great powers. A substantial minority of Chinese resent their current leaders' power play. They want a freer and more equitable China, at peace with its neighbors and with the United States. The more isolated China becomes, the less of a voice

such people will have, as their views drown in an ocean of nationalist fury. As Kennan stressed in the Soviet case, “demands on Russian policy should be put forward in such a manner as to leave the way open for a compliance not too detrimental to Russian prestige.”

The United States also needs to help create a more benign environment beyond Asia. At a time when China is continuing its rise, it makes no sense to leave Russia as a dissatisfied scavenger on the periphery of the international system. Washington should try to bring Moscow into a more cooperative relationship with the West by opening up more opportunities for partnership and helping settle the conflict in eastern Ukraine. If Washington refuses to do that, then the strategic nightmare that haunted U.S. officials during the Cold War yet never fully materialized may actually come true: a real Sino-Russian alliance. Today, the combination of Russia’s resources and China’s population could power a far greater challenge to the West than what was attempted 70 years ago. As Kennan noted in 1954, the only real danger to Americans would come through “the association of the dominant portion of the physical resources of Europe and Asia with a political power hostile to [the United States].”

One of Kennan’s greatest insights, however, had nothing to do with foreign affairs; it had to do with American politics. He warned in his “X” article that “exhibitions of indecision, disunity and internal disintegration” within the United States were the biggest danger the country faced. Kennan also warned against complacency about funding for common purposes. Like 70 years ago, to compete today, the United States needs to spend more money, which necessarily means higher contributions from wealthy Americans and corporations, in order to provide top-quality skills training, world-class infrastructure, and cutting-edge research and development. Competing with China cannot be done on the cheap. Ultimately, Kennan argued, American power depended on the United States’ ability to “create among the peoples of the world generally the impression of a country which knows what it wants, which is coping successfully with the problems of its internal life and with the responsibilities of a world power, and which has a spiritual vitality capable of holding its own among the major ideological currents of the time.”

Although one might phrase it differently, the challenge is exactly the same today. Will the competition with China focus, to use one of Kennan’s favored phrases, “the American mind” to the point that the

United States abandons domestic discord in favor of consensus? If some unifying factor does not intervene, the decline in the United States' ability to act purposefully will, sooner than most people imagine, mean not just a multipolar world but an unruly world—one in which fear, hatred, and ambition hold everyone hostage to the basest instincts of the human imagination. 🌐

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# The New China Scare

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## Why America Shouldn't Panic About Its Latest Challenger

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*Fareed Zakaria*

JANUARY/FEBRUARY 2020

**I**n February 1947, U.S. President Harry Truman huddled with his most senior foreign policy advisers, George Marshall and Dean Acheson, and a handful of congressional leaders. The topic was the administration's plan to aid the Greek government in its fight against a communist insurgency. Marshall and Acheson presented their case for the plan. Arthur Vandenberg, chair of the Senate Committee on Foreign Relations, listened closely and then offered his support with a caveat. "The only way you are going to get what you want," he reportedly told the president, "is to make a speech and scare the hell out of the country."

Over the next few months, Truman did just that. He turned the civil war in Greece into a test of the United States' ability to confront international communism. Reflecting on Truman's expansive rhetoric about aiding democracies anywhere, anytime, Acheson confessed in his memoirs that the administration had made an argument "clearer than truth."

Something similar is happening today in the American debate about China. A new consensus, encompassing both parties, the military establishment, and key elements of the media, holds that China is now a vital threat to the United States both economically and stra-

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**FAREED ZAKARIA** is the host of *Fareed Zakaria GPS*, on CNN, and the author of *The Post-American World*.

tegitically, that U.S. policy toward China has failed, and that Washington needs a new, much tougher strategy to contain it. This consensus has shifted the public's stance toward an almost instinctive hostility: according to polling, 60 percent of Americans now have an unfavorable view of the People's Republic, a record high since the Pew Research Center began asking the question in 2005. But Washington elites have made their case "clearer than truth." The nature of the challenge from China is different from and far more complex than what the new alarmism portrays. On the single most important foreign policy issue of the next several decades, the United States is setting itself up for an expensive failure.

Let's be clear: China is a repressive regime that engages in thoroughly illiberal policies, from banning free speech to interning religious minorities. Over the last five years, it has intensified its political control and economic statism at home. Abroad, it has become a competitor and in some places a rival of the United States. But the essential strategic question for Americans today is, Do these facts make China a vital threat, and to the extent that they do, how should that threat be addressed?

The consequences of exaggerating the Soviet threat were vast: gross domestic abuses during the McCarthy era; a dangerous nuclear arms race; a long, futile, and unsuccessful war in Vietnam; and countless other military interventions in various so-called Third World countries. The consequences of not getting the Chinese challenge right today will be vaster still. The United States risks squandering the hard-won gains from four decades of engagement with China, encouraging Beijing to adopt confrontational policies of its own, and leading the world's two largest economies into a treacherous conflict of unknown scale and scope that will inevitably cause decades of instability and insecurity. A cold war with China is likely to be much longer and more costly than the one with the Soviet Union, with an uncertain outcome.

## **BROKEN ENGAGEMENT**

Henry Kissinger has noted that the United States has entered all its major military engagements since 1945—in Korea, Vietnam, Afghanistan, and Iraq—with great enthusiasm and bipartisan support. "And then, as the war developed," Kissinger said, "the domestic support for it began to come apart." Soon, everyone was searching for an exit strategy.

To avoid retreading that path, the United States should take the time to examine closely the assumptions behind the new China con-

sensus. In broad terms, they are the following. First, engagement has failed because it did not “transform China’s internal development and external behavior,” as the former U.S. officials Kurt Campbell and Ely Ratner wrote in these pages in 2018. Second, Beijing’s foreign policy is currently the most significant threat to U.S. interests and, by extension, to the rules-based international order that the United States created after 1945. U.S. Secretary of State Mike Pompeo has gone much further, saying in a 2019 speech at the Hudson Institute that “the Chinese Communist party is a Marxist-Leninist party focused on struggle and international domination.” And third, a policy of active confrontation with China will better counter the threat than a continuation of the previous approach.

This bipartisan consensus has formed in response to significant and in many ways worrying changes in China. Ever since President Xi Jinping became the country’s supreme ruler, China’s economic liberalization has slowed and its political reform—limited in any case—has been reversed. Beijing now combines political repression with nationalist propaganda that harks back to the Mao era. Abroad, China is more ambitious and assertive. These shifts are real and worrying. But how should they alter U.S. policy?

Formulating an effective response requires starting with a clear understanding of the United States’ China strategy up to this point. What the new consensus misses is that in the almost five decades since U.S. President Richard Nixon’s opening to Beijing, U.S. policy toward China has never been purely one of engagement; it has been a combination of engagement and deterrence. In the late 1970s, U.S. policymakers concluded that integrating China into the global economic and political system was better than having it sit outside it, resentful and disruptive. But Washington coupled that effort with consistent support for other Asian powers—including, of course, continued arms sales to Taiwan. That approach, sometimes described as a “hedging strategy,” ensured that as China rose, its power was checked and its neighbors felt secure.

In the 1990s, with no more Soviet foe to contain, the Pentagon slashed spending, closed bases, and reduced troop numbers around the world—except in Asia. The Pentagon’s 1995 Asia-Pacific strategy, known as the Nye Initiative, warned of China’s military buildup and foreign policy ambitions and announced that the United States would not reduce its military presence in the region. Instead, at least 100,000 American

troops would remain in Asia for the foreseeable future. Arms sales to Taiwan would continue in the interest of peace in the Taiwan Strait—that is, to deter Beijing from using force against the self-governing island, which the mainland government considers to be part of China.

This hedging approach was maintained by presidents of both parties. The George W. Bush administration overturned decades of bipartisan policy and embraced India as a nuclear power, in large part to add yet another check on China. Under President Barack Obama, the United States ramped up deterrence, expanding its footprint in Asia with new military agreements with Australia and Japan and nurturing a closer relationship with Vietnam. Such was also the purpose of the Trans-Pacific Partnership, designed to give Asian countries an economic platform that would enable them to resist dominance by the Chinese market. (The Trump administration pulled out of the agreement in early 2017.) Obama personally confronted Xi about Chinese cybertheft and placed tariffs on tire imports to retaliate against China's unfair trade policies.

To say that hedging failed reflects a lack of historical perspective. In the early 1970s, before Nixon's opening to China, Beijing was the world's greatest rogue regime. Mao Zedong was obsessed with the idea that he was at the helm of a revolutionary movement that would destroy the Western capitalist world. There was no measure too extreme for the cause—not even nuclear apocalypse. "If the worst came to the worst and half of mankind died," Mao explained in a speech in Moscow in 1957, "the other half would remain while imperialism would be razed to the ground and the whole world would become socialist." Mao's China funded and fomented anti-Western insurgencies, guerrilla movements, and ideological movements around the world, from Latin America to Southeast Asia. By one estimate, Beijing spent between \$170 million and \$220 million from 1964 to 1985 in Africa alone, training 20,000 fighters from at least 19 countries.

By comparison, today's China is a remarkably responsible nation on the geopolitical and military front. It has not gone to war since 1979. It has not used lethal military force abroad since 1988. Nor has it funded or supported proxies or armed insurgents anywhere in the world since the early 1980s. That record of nonintervention is unique among the world's great powers. All the other permanent members of the UN Security Council have used force many times in many places over the last few decades—a list led, of course, by the United States.

China has also gone from seeking to undermine the international system to spending large sums to bolster it. Beijing is now the second-largest funder of the United Nations and the UN peacekeeping program. It has deployed 2,500 peacekeepers, more than all the other permanent members of the Security Council combined. Between 2000 and 2018, it supported 182 of 190 Security Council resolutions imposing sanctions on nations deemed to have violated international rules or norms. Granted, the principles anchoring Beijing's foreign policy today—"respect for sovereignty," "territorial integrity," and "nonintervention"—are animated in large part by a desire to fend off Western interference. Yet they highlight a remarkable shift from a radical agenda of revolution to a conservative concern for stability. Had someone predicted in 1972 that China would become a guardian of the international status quo, few would have believed it possible.

### **TRADING PLACES**

The new consensus on China's economic behavior holds that China has forced multinational companies to transfer their technology, has subsidized its "national champions," and has placed formal and informal barriers in the path of foreign firms seeking to enter its market. Beijing has, in short, used the open international economy to bolster its own statist and mercantilist system.

It is true that these unfair policies demand attention and action from the rest of the world. The Trump administration deserves some credit for tackling this problem—especially in light of Xi's embrace of statism after decades of liberalization. But how large and permanent is this reversal? How different are China's practices from those of other emerging market countries today? And again, what is the right American response?

Almost all economists agree that China owes much of its economic success to three fundamental factors: the switch from communist economics to a more market-based approach, a high savings rate that makes possible large capital investments, and rising productivity. Over the last three decades, the country has also opened itself up substantially to foreign investment—more so than many other large emerging markets—allowing capital to pour in. China is one of only two developing countries to have ranked in the top 25 markets for foreign direct investment since 1998. Of the BRICS group of large emerging markets (which includes Brazil, Russia, India, China, and South



Africa), China is consistently ranked as the most open and competitive economy. As for the effect of mercantilist Chinese policies on the U.S. economy, former U.S. Treasury Secretary Lawrence Summers has noted that “it cannot be argued seriously that unfair Chinese trade practices have affected U.S. growth by even 0.1 percent a year.”

It is worth noting that on the economic front, almost every charge leveled at China today—forced technology transfers, unfair trade practices, limited access for foreign firms, regulatory favoritism for locals—was leveled at Japan in the 1980s and 1990s. At the time, Clyde Prestowitz’s influential book *Trading Places: How America Is Surrendering Its Future to Japan and How to Win It Back* explained that the United States had never imagined dealing with a country in which “industry and trade [would be] organized as part of an effort to achieve specific national goals.” Another widely read book of the era was titled *The Coming War With Japan*. As Japanese growth tapered off, so did these exaggerated fears.

China today presents some new challenges, especially given Xi’s determination to have the state play a leading role in helping the country gain economic dominance in crucial sectors. But in the broad sweep of history, China’s greatest advantage in the global trading system has come not from its willingness to violate the rules but from its sheer size. Countries and companies want access to China and are willing to make concessions to get it. This hardly makes China unusual. Other countries with similar clout often get away with similar behavior or worse—none more so than the United States. A 2015 report by the financial services giant Credit Suisse provides a useful tally of nontariff barriers against foreign goods put in place by major countries between 1990 and 2013. With a total count of almost 450, the United States is in a league of its own. Next is India, then Russia. China comes in at number five, with one-third as many nontariff barriers imposed as the United States. The picture hasn’t changed much in the years since.

Most of the recent changes in Beijing’s economic policy have been negative, but even that is not the entire story. China is changing along several, sometimes contradictory lines. Even with the return to greater state control under Xi, a wild free market has flourished in vast spheres such as consumer goods and services. There has also been some real regulatory liberalization—even administrative and judicial reform, as the political scientist Yuen Yuen Ang has detailed. Government support for state-owned enterprises is greater than it

was a few years ago, but Beijing has abandoned what was once a central part of its mercantilist strategy: using an undervalued currency to boost growth. The economist Nicholas Lardy has calculated that the end of currency mercantilism accounts for “about half of China’s growth slowdown since the global financial crisis.”

Or consider what is, according to Peter Navarro, U.S. President Donald Trump’s top trade adviser, issue number one in the United States’ trade dispute with China: “the theft of our intellectual property.” That China engages in rampant theft of intellectual property is a widely accepted fact—except among U.S. companies doing business in China. In a recent survey of such companies conducted by the U.S.-China Business Council, intellectual property protection ranked sixth on a list of pressing concerns, down from number two in 2014. These companies worry more about state funding for rival companies and delayed approval of licenses for their products. Why this shift from 2014? That year, China created its first specialized courts to handle intellectual property cases. In 2015, foreign plaintiffs brought 63 cases in the Beijing Intellectual Property Court. The court ruled for the foreign firms in all 63.

Of course, reforms such as these are often undertaken only in the face of Western pressure and, even then, because they serve China’s own competitive interests—the largest filer of patents worldwide last year was the Chinese telecommunications giant Huawei. But it is also true that many Chinese economists and senior policymakers have argued that the country will modernize and grow its economy only if it pursues further reform. Failure to do so, they have warned, will get the country stuck in the “middle-income trap”—the common fate of countries that escape poverty but hit a wall at a GDP of around \$10,000 per capita, having failed to modernize their economic, regulatory, and legal systems any further.

As far as China’s political development is concerned, the verdict is unambiguous. China has not opened up its politics to the extent that many anticipated; it has in fact moved toward greater repression and control. Beijing’s gruesome treatment of the Uighurs in Xinjiang, a region in northwestern China, has created a human rights crisis. The state has also begun to use new technologies, such as facial recognition software and artificial intelligence, to create an Orwellian system of social control. These realities are a tragedy for the Chinese people and an obstacle to the country’s participation in global leadership. It would be an exaggeration, however, to adduce them as proof of the failure of

U.S. policy. In truth, few U.S. officials ever argued that engagement would lead inexorably to liberal democracy in China. They hoped that it would, even expected it, but their focus was always on moderating China's external behavior, which they achieved.

### **CROSSING THE LINE**

Under Xi, China's foreign policy has become more ambitious and assertive, from its pursuit of leadership roles in UN agencies to the vast Belt and Road Initiative and the construction of islands in the South China Sea. These moves mark a break with the country's erstwhile passivity on the global stage, captured by the former Chinese leader Deng Xiaoping's adage "Hide your strength, bide your time." China's military buildup, in particular, has been of a size and designed in a manner that suggest that a long-term plan is being systematically executed. But what would an acceptable level of influence for China be, given its economic weight in the world? If Washington does not first ask this question, it cannot make serious claims about which uses of Chinese power cross the line.

China is, by some measures, already the world's largest economy. Within ten to 15 years, it will probably take this spot by all measures. Deng offered his advice to "bide your time" when the country's economy represented roughly one percent of global GDP. Today, it represents over 15 percent. China has indeed bided its time, and now, a much stronger China naturally seeks a larger regional and global role.

Consider the case of another country that was rising in strength, this one back in the nineteenth century, although not nearly on the scale of China today. The United States in 1823 was what would now be called a developing country—not even among the world's top five economies—and yet with the Monroe Doctrine, it declared the entire Western Hemisphere off-limits to the great powers of Europe. The American case is an imperfect analogy, but it serves as a reminder that as countries gain economic strength, they seek greater control and influence over their environment. If Washington defines every such effort by China as dangerous, it will be setting the United States up against the natural dynamics of international life and falling into what the scholar Graham Allison has called "the Thucydides trap"—the danger of a war between a rising power and an anxious hegemon.

For the United States, dealing with such a competitor is a new and unique challenge. Since 1945, the major states rising to wealth and

prominence have been Washington's closest allies, if not quasi protectorates: Germany, Japan, and South Korea. A normally disruptive feature of international life—rising new powers—has thus been extraordinarily benign for the United States. China, however, is not only much larger than the rising powers that came before; it has also always been outside the United States' alliance structures and sphere of influence. As a result, it will inevitably seek a greater measure of independent influence. The challenge for the United States, and the West at large, will be to define a tolerable range for China's growing influence and accommodate it—so as to have credibility when Beijing's actions cross the line.

So far, the West's track record on adapting to China's rise has been poor. Both the United States and Europe have, for example, been reluctant to cede any ground to China in the core institutions of global economic governance, the World Bank and the International Monetary Fund, which remain Euro-American clubs. For years, China sought a larger role in the Asian Development Bank, but the United States resisted. As a result, in 2015, Beijing created its own multilateral financial institution, the Asian Infrastructure Investment Bank (which Washington opposed, fruitlessly).

Pompeo has asserted—in a patronizing statement that would surely infuriate any Chinese citizen—that the United States and its allies must keep China in “its proper place.” China's sin, according to Pompeo, is that it spends more on its military than it needs to for its own defense. But the same, of course, could be said of the United States—and of France, Russia, the United Kingdom, and most other large countries. In fact, a useful definition of a great power is one that is concerned about more than just its own security.

The old order—in which small European countries act as global heavyweights while behemoths such as China and India are excluded from the first ranks of global institutions—cannot be sustained. China will have to be given a place at the table and genuinely integrated into the structures of decision-making, or it will freelance and unilaterally create its own new structures and systems. China's ascension to global power is the most significant new factor in the international system in centuries. It must be recognized as such.

### **NEITHER LIBERAL NOR INTERNATIONAL NOR ORDERLY**

To many, Beijing's rise has sounded the death knell of the liberal international order—the set of policies and institutions, forged largely

by the United States after World War II, that compose a rules-based system in which interstate war has waned while free trade and human rights have flourished. China's domestic political character—a one-party state that brooks no opposition or dissent—and some of its international actions make it an uneasy player in this system.

It is, however, worth remembering that the liberal international order was never as liberal, as international, or as orderly as it is now nostalgically described. From the very beginning, it faced vociferous opposition from the Soviet Union, followed by a series of breakdowns of cooperation among allies (over the Suez crisis in 1956, over Vietnam a decade later) and the partial defection of the United States under Nixon, who in 1971 ended Washington's practice of underwriting the international monetary order using U.S. gold reserves. A more realistic image is that of a nascent liberal international order, marred from the start by exceptions, discord, and fragility. The United States, for its part, often operated outside the rules of this order, making frequent military interventions with or without UN approval; in the years between 1947 and 1989, when the United States was supposedly building up the liberal international order, it attempted regime change around the world 72 times. It reserved the same right in the economic realm, engaging in protectionism even as it railed against more modest measures adopted by other countries.

The truth about the liberal international order, as with all such concepts, is that there never really was a golden age, but neither has the order decayed as much as people claim. The core attributes of this order—peace and stability—are still in place, with a marked decline in war and annexation since 1945. (Russia's behavior in Ukraine is an important exception.) In economic terms, it is a free-trade world. Average tariffs among industrialized countries are below three percent, down from 15 percent before the Kennedy Round of international trade talks, in the 1960s. The last decade has seen backsliding on some measures of globalization but from an extremely high baseline. Globalization since 1990 could be described as having moved three steps forward and only one step back.

China hardly qualifies as a mortal danger to this imperfect order. Compare its actions to those of Russia—a country that in many arenas simply acts as a spoiler, trying to disrupt the Western democratic world and its international objectives, often benefiting directly from instability because it raises oil prices (the Kremlin's largest source of

wealth). China plays no such role. When it does bend the rules and, say, engages in cyberwarfare, it steals military and economic secrets rather than trying to delegitimize democratic elections in the United States or Europe. Beijing fears dissent and opposition and is especially neuralgic on the issues of Hong Kong and Taiwan, using its economic clout to censor Western companies unless they toe the party line. But these are attempts to preserve what Beijing views as its sovereignty—nothing like Moscow’s systematic efforts to disrupt and delegitimize Western democracy in Canada, the United States, and Europe. In short, China has acted in ways that are interventionist, mercantilist, and unilateral—but often far less so than other great powers.

The rise of a one-party state that continues to reject core concepts of human rights presents a challenge. In certain areas, Beijing’s repressive policies do threaten elements of the liberal international order, such as its efforts to water down global human rights standards and its behavior in the South China Sea and other parts of its “near abroad.” Those cases need to be examined honestly. In the former, little can be said to mitigate the charge. China is keen on defining away its egregious human rights abuses, and that agenda should be exposed and resisted. (The Trump administration’s decision to withdraw from the UN Human Rights Council achieved the exact opposite by ceding the field to Beijing.)

But the liberal international order has been able to accommodate itself to a variety of regimes—from Nigeria to Saudi Arabia to Vietnam—and still provide a rules-based framework that encourages greater peace, stability, and civilized conduct among states. China’s size and policies present a new challenge to the expansion of human rights that has largely taken place since 1990. But that one area of potential regression should not be viewed as a mortal threat to the much larger project of a rules-based, open, free-trading international system.

## **CONTAINMENT AND ITS COSTS**

The final assumption undergirding the new consensus is that some form of persistent confrontation with China will deter its adventurism abroad and set the stage for an internal transformation. Few embrace the Cold War term “containment,” but many adopt some version of its logic. The theory is that a hard line against China will force it to behave and even reform. Unspoken but clearly central to the hawks’ strategy is the notion that containing China will precipitate the collapse of its regime, just as happened with the Soviets.

But China is not the Soviet Union, an unnatural empire that was built on brutal expansion and military domination. In China, the United States would be confronting a civilization, and a nation, with a strong sense of national unity and pride that has risen to take its place among the great powers of the world. China is becoming an economic peer, indeed a technology leader in some areas. Its population dwarfs that of the United States, and the world's largest market for almost every good is now in China. It houses some of the planet's fastest computers and holds the largest foreign exchange reserves on earth. Even if it experienced some kind of regime change, the broader features of its rise and strength would persist.

The Pentagon has embraced the notion of China as the United States' top "strategic competitor." From a bureaucratic point of view, this designation makes perfect sense. For the last 20 years, the U.S. military has fought against insurgencies and guerrillas in failed states, and it has time and again had to explain why its expensive machinery has failed against these underequipped, cash-strapped enemies. To make an enemy of China, by contrast, is to return to the halcyon days of the Cold War, when the Pentagon could raise large budgets by conjuring the specter of a war against a rich, sophisticated military with cutting-edge technology of its own. All the while, the logic of nuclear deterrence and the prudence of the great powers ensured that a full-scale war between the two sides would never take place. Yet whatever the advantages for Pentagon budgets, the costs of such a cold war with China would be immense, distorting the United States' economy and further inflating the military-industrial complex that U.S. President Dwight Eisenhower once warned against.

Add to this the large degree of interdependence between the United States and China. U.S. exports to China are up by 527 percent since 2001, and in 2018, China was the largest supplier of goods to the United States. There is also human interdependence—the hundreds of thousands of Chinese students who study in the United States, along with the almost five million U.S. citizens and residents of Chinese descent. The United States has benefited greatly from being the place where the brightest minds gather to do the most cutting-edge research and then apply it to commercial ends. If the United States barred its doors to such talent because it came with the wrong passport, it would quickly lose its privileged place in the world of technology and innovation.

The Trump administration's current approach to China runs along two distinct and contradictory tracks, at once eschewing interdependence and embracing it. On trade, Washington's aim is, broadly speaking, integrationist: to get China to buy more from the United States, invest more in the United States, and allow Americans to sell and invest more in China. If successful, this effort would create more interdependence between the two countries. It is a laudable effort, although it bears pointing out that tariffs usually cost the party imposing the tax more than the recipient. By some estimates, the Obama administration's tire tariffs cost around \$1 million for every American job saved. The general approach, however, is wise, even if undertaken in pursuit of a narrow "America first" agenda, as interdependence gives the United States greater leverage over China.

In matters of technology, on the other hand, the Trump administration's approach is decidedly disintegrationist. The strategy here is to sever ties with China and force the rest of the world to do the same—creating a world split between two camps. The Trump administration's global campaign against Huawei has followed this logic; the meager results of that campaign indicate the logic's flaws. The rest of the world is not following the lead of the United States (which lacks an alternative technology to compete with Huawei's 5G offerings). The Trump administration has asked 61 countries to ban the company. So far, only three have acceded, all three of them close U.S. allies.

This dismal success rate is an early indicator of what a broader "decoupling" strategy would look like. China is the largest trading partner of many countries besides the United States, including key players in the Western Hemisphere, such as Brazil. When asked how they would respond to decoupling, senior leaders around the world almost all offer some version of the answer that one head of government gave me: "Please do not ask us to choose between the United States and China. You will not like the answer you get." This is not to say that they would necessarily side with China—but they might well prefer to stay nonaligned or play the two powers off against each other. What is more, an isolated China that built its own domestic supply chains and technology would be impervious to U.S. pressure.

Strangely absent from most discussions of U.S. policy toward China is the question of China's reaction. Beijing, too, has its hardliners, who have warned for years that the United States seeks to keep China down and that any sign of Chinese ambition would be met with



a strategy of containment. More and more, the United States' posture toward China is allowing those voices to claim vindication, thereby giving them leverage to push exactly the kind of assertive and destabilizing behavior that U.S. policy aims to prevent.

The United States is in competition with China—that is a fact and will remain so for much of this century. The issue is whether the United States should compete within a stable international framework, continuing to try to integrate China rather than attempting to isolate it at all costs. A fractured, bifurcated international order, marked by government restrictions and taxes on trade, technology, and travel, would result in diminished prosperity, persistent instability, and the real prospect of military conflict for all involved.

The breakdown of globalization is, of course, the goal of many of the leading lights of the Trump administration. The president himself has decried “globalism” and considers free trade a way for other countries to loot American industry. He regards the United States' alliances as obsolete and international institutions and norms as feckless constraints on national sovereignty. Right-wing populists have embraced these views for years. And many of them—especially in the United States—correctly understand that the easiest way to crack the entire liberal international edifice would be to trigger a cold war with China. More puzzling is that those who have spent decades building up that edifice are readily supporting an agenda that will surely destroy it.

### **AMERICA'S NOT-SO-SECRET STRATEGY**

A wiser U.S. policy, geared toward turning China into a “responsible stakeholder,” is still achievable. Washington should encourage Beijing to exert greater influence in its region and beyond as long as it uses this clout to strengthen the international system. Chinese participation in efforts to tackle global warming, nuclear proliferation, money laundering, and terrorism should be encouraged—and appreciated. Beijing's Belt and Road Initiative could be a boon for the developing world if pursued in an open and transparent manner, even in cooperation with Western countries wherever possible. Beijing, for its part, would need to accept U.S. criticism about issues of human rights, freedom of speech, and liberty more generally.

The most dangerous flash points are likely to be Hong Kong and Taiwan, where the status quo is fragile and the balance of power favors Beijing. The Pentagon has reportedly enacted 18 war games against

China over Taiwan, and China has prevailed in every one. Washington should make clear that any such victory would be Pyrrhic, resulting in economic collapse in Hong Kong or Taiwan, mass emigration from those islands, and international condemnation. If Beijing acts precipitously in either Hong Kong or Taiwan, a U.S. policy of cooperation will become untenable for years.

The new consensus on China is rooted in the fear that the country might at some point take over the globe. But there is reason to have faith in American power and purpose. Neither the Soviet Union nor Japan managed to take over the world, despite similar fears about their rise. China is rising but faces a series of internal challenges, from demographic decline to mountains of debt. It has changed before and will be forced to change again if the combined forces of integration and deterrence continue to press on it. Beijing's elites know that their country has prospered in a stable, open world. They do not want to destroy that world. And despite a decade of political stagnation on the mainland, the connection between the rise of a middle class and demands for greater political openness is real, as is apparent in two Chinese societies watched closely by Beijing—Hong Kong and Taiwan.

Some American observers talk of China's long view, of its patient, secret plan to dominate the world, consistently executed since 1949, if not before. The scholar and former U.S. Defense Department official Michael Pillsbury has called it China's "hundred-year marathon," in a book often praised by the Trump administration. But a more accurate picture is that of a country that has lurched fitfully from a tight alliance with the Soviet Union to the Sino-Soviet split, from the Great Leap Forward to the Cultural Revolution to a capitalist success story, and from deep hostility toward the West to close ties with the United States and back to a flirtation with hostility. If this is a marathon, it has taken some strange twists and turns, many of which could have ended it altogether.

Meanwhile, since 1949, the United States has patiently put in place structures and policies to create a more stable, open, and integrated world; has helped countries enter that world; and has deterred those that sought to destroy it—all with astonishing success. Washington has been the opposite of vacillating or overly focused on the short term. In 2019, U.S. troops are still on the banks of the Rhine, they are still safeguarding Seoul, and they are still in Okinawa.

China presents a new and large challenge. But if Washington can keep its cool and patiently continue to pursue a policy of engagement plus deterrence, forcing China to adjust while itself adjusting to make space for it, some scholar decades from now might write about the United States' not-so-secret plan to expand the zone of peace, prosperity, openness, and decent governance across the globe—a marathon strategy that worked. 🌐



**“AMERICA FIRST”  
IN A GLOBAL ECONOMY**

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# The Post-American World Economy

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## Globalization in the Trump Era

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*Adam S. Posen*

MARCH/APRIL 2018

**I**n the aftermath of World War II, the United States set about building a global, rules-based economic order. At the heart of that order, it put the liberal values of free trade and the rule of law. Over the next seven decades, the order, backed by U.S. power and bolstered by its growing legitimacy among other countries, prevented most economic disputes from escalating into mutually destructive trade wars, let alone military conflict. That allowed even the smallest and poorest countries to develop their social and economic potential without having to worry about predation by stronger neighbors. By taking much of the fear out of the global economy, the U.S.-led order allowed market decisions to be driven by business, not bullying.

Today, that order is under threat. U.S. President Donald Trump has rejected the idea that the world's economies all benefit when they play by the rules. Instead, he has decided that putting "America first" means withdrawing from supposedly bad deals, on which he believes the system is based. So far, Trump has failed to follow through on his most destructive ideas. But the damage has already begun to show. His administration has hobbled the World Trade Organization, encouraged China and other autocratic regimes to lean on their smaller neighbors

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**ADAM S. POSEN** is President of the Peterson Institute for International Economics.

for economic loyalty, undercut agreements on tax evasion and climate change, and pushed even major U.S. allies to negotiate free-trade and cross-border investment deals without the United States.

If the United States continues its retreat from economic leadership, it will impose serious pain on the rest of the world—and on itself. Unless the Trump administration chooses to launch a full-blown trade war, the consequences will not come immediately. But a sustained U.S. withdrawal will inevitably make economic growth slower and less certain. The resulting disorder will make the economic well-being of people around the world more vulnerable to political predation and conflict than it has been in decades.

### **WELCOME TO THE CLUB**

One of the great lessons of economic history is that bullying is bad for prosperity. Good institutions—the rule of law, clear property rights, stable means of exchange, efficient tax collection, the provision of public goods, checks on official corruption—are the fundamental prerequisites for sustained economic growth. The benefits of such institutions should not be oversold. They do not lead inexorably to prosperity or democratic freedom. But without them, long-term saving and investment, which form the backbone of growth, cannot be maintained.

The U.S.-led postwar order extended these kinds of institutions to the international economic sphere, at least in part. The best way to think about the rules-based order is as a club that promotes a common set of beliefs to which its members adhere: the ability to export to, import from, and invest in markets around the world should not be determined by military power or alliance structures; other countries' economic growth should be welcomed, not treated as a threat; property rights should be secure from invasion, expropriation, or theft; and technical knowledge should flow freely, subject to the enforcement of patents and trademarks. Together, these values provide the basis for sustained investment and business relationships, as well as household income growth.

The club offers some shared facilities, for which dues are collected. These start with the institutions founded at the Bretton Woods Conference in 1944—the International Monetary Fund (IMF), the World Bank, and what became the World Trade Organization (WTO)—but go far beyond them. The order maintains common systems for settling transactions, converting currencies, invoicing in widely accepted units, and applying tariffs and customs rules. It also establishes forums where

experts can meet to discuss specialized topics and groups that set international standards, such as ICANN (the Internet Corporation for Assigned Names and Numbers). Critically, the club's facilities now include frameworks for settling international commercial disputes.

The club includes some mutual insurance against both man-made and natural disasters. In part, this takes the form of development assistance and emergency aid, which flow disproportionately to poorer members. But it also involves cooperation in the face of financial crises or economic depression, both of which can spread if the entire community does not work together to fix problems, even if they initially affect only one member. The liquidity provided by the U.S. Federal Reserve in emergencies is essential to such financial firefighting.

The club analogy is not perfect. Although the members are nation-states, underlying each state are millions of people, households, and businesses. These, not the states' rulers, are the ultimate beneficiaries of the global economic order. That is what gives the liberal order its ethical weight.

### **LEADING FROM THE MIDDLE**

All these attributes are in large part the result of U.S. leadership. But if the United States chairs the club, that does not mean it can issue commands or demand loyalty. Washington cannot force a state to become a member; it can only make membership more attractive than remaining outside the club. Nor can it easily restrict what a member government does within its own country or in areas outside of the order's agreed values, short of issuing a credible threat to kick that country out of the system. But if such threats come too often or seem too arbitrary, then other members will fear for their own status and band together to resist U.S. pressure. Finally, the United States can collect club dues only to the degree that members think that membership is worth it and that others are paying roughly their fair share.

This reality contradicts the widespread but misguided belief that the United States provides global public goods while others free-ride, let alone Trump's view that the global system has played American voters for fools. In reality, the United States supplies by itself only two essential aspects of the economic order. First, Washington extends an umbrella of security guarantees and nuclear deterrence over U.S. allies. Second, the U.S. military ensures free navigation of the seas and airspace for commerce, subject to some international rules that are largely

set by the United States. Both of these are classic public goods in that one actor, the United States, provides them, and can do so essentially on its own, and every country benefits, whether or not it contributes.

In fact, when it comes to the rest of the order's institutions and benefits, the United States has often been the one free-riding in recent years. It has frequently failed to pay its dues to international organizations on time, as others do. It has spent a far smaller share of its GDP on aid than other wealthy countries. It has failed to respond adequately to climate change, even as other countries have begun to shift toward greener growth. It has behaved irresponsibly by excessively deregulating its financial system and its mortgage market, despite pressuring other countries to curtail their own growth for the sake of stability.

This reality is the opposite of the concern voiced by Trump's "America first" slogan. The United States has been given a pass on many responsibilities precisely because it leads the system and other countries want it to keep doing so.

So far, the benefits of U.S. leadership have been large enough that other countries are willing to ignore a certain amount of hypocrisy. But at some point, if the United States goes from occasional free-riding to ostentatiously violating the rules, the system itself will be imperiled. The United States has to want to lead, and the other members have to want it to do so.

Thus, U.S. leadership is not the inevitable result of the relative size of the U.S. economy and the U.S. military. Over the last 70 years, it has persisted even as the share of the world economy made up by the U.S. economy has shrunk from 50 percent to 25 percent. Policymakers should not fear that China or the EU will replace Washington as the global economic leader as their economies surpass that of the United States. So long as the U.S. economy remains very large (which it will) and at the technological frontier (which it probably will), and the United States maintains its commitment to globally attractive values, the country will be capable of remaining the leader.

It is a tribute to the appeal of the liberal rules-based order—and to Washington's ability to position itself as at least better than the alternative—that U.S. leadership has retained such indulgent support.

### **DO THEY REALLY MEAN IT?**

Washington's retreat will not immediately send the world into recession. Unless the Trump administration decides to mount an actual trade war



with China or Mexico, it may not even do any obvious harm over the next year or two. This is partly because even major economic policies take time to affect economies as a whole. It is also because the global economy is in the midst of an extremely broad and balanced recovery. That breadth makes the current expansion the most resilient of any since at least the 1980s. All the engines of the world economy are running well, mostly without overreliance on debt in either the private or the public sector.

Other countries are also mostly taking a wait-and-see approach to Trump's threats to the global economic system. The administration's National Security Strategy, which was released in December, challenges almost all the fundamental aspects of the United States' global role and the values that the country has professed for the last 70 years. It breaks down the wall between economics and national security and explicitly commits the U.S. government to bilateral bullying instead of enforcing and obeying the rules. Advancing what it calls "principled realism," the strategy promises to "integrate all elements of America's national power—political, economic, and military." The United States will "pursue bilateral trade agreements" rather than broad ones, a recipe for economic coercion rather than cooperation.

Some skepticism over the Trump administration's course is justified, since past administrations have rarely followed any stated strategy consistently. What is more, even if the document does reflect Trump's intentions, a number of factors—the midterm elections later this year, unexpected developments from the ongoing investigations into possible coordination between the Trump campaign and the Russian government, pushback from Congress, even reasoned persuasion by the president's economic advisers and world leaders—could stop the administration from following this mistaken path.

If that strategy really does guide U.S. policy, however, then it will do serious harm. The United States would restrict access to its market in a variety of arbitrary ways, by blocking foreign investment, withdrawing from trade agreements, imposing "buy American" restrictions on government purchases, and politicizing financial supervision and access to international payments systems. Inevitably, given greater political discretion over the economy, some U.S. politicians will demand payments, perhaps even bribes, from companies for proceeding with normal commercial transactions. All but the last already occur to some limited degree, but successive U.S. administrations since World War II have pushed against these tendencies at home and abroad.

Reversing that approach would hurt the United States' economic productivity and its citizens' purchasing power. At least as important, it wouldn't stop there. Adopting such policies would encourage autocrats to follow suit and even democratic allies to retaliate in kind.

Finally, the extent of the damage will depend on how willing and able other governments are to uphold the values and structures of the current system: China and the EU, primarily, but also other major economies that have long supported the rules-based order, such as Australia, Canada, Japan, and Mexico. In all likelihood, there will be no immediate disaster, because the system offers benefits to members who voluntarily comply with its rules. Even without the United States, almost all the other members of the order still publicly subscribe to its stated values: open markets, equal treatment of all members for economic purposes, and the peaceful settlement of disputes.

Some of the shift away from U.S. economic leadership predates the Trump administration. Since the global financial crisis, widespread disdain has emerged for the excesses of turbocharged Anglo-American financialized capitalism, especially its unfettered speculative flows and unchecked accumulation of private wealth. In many countries, this backlash has led to greater tolerance for state-owned enterprises (reinforced by China's example of state-led growth), the protection of special interests from trade competition, and the promotion of companies with their headquarters in their home country as national champions. All of these can have positive effects in moderation, but the current trend is likely to go too far without the restraint that comes when the United States enforces the rules. Even under the Obama administration, the United States was slow to put new issues, such as women's empowerment, refugee resettlement, Internet privacy, and environmental concerns, on the international agenda. Yet the best way to deal with these issues would be to bring other countries' concerns about the United States' errors to a discussion at the G-20. For other countries to give up on U.S. leadership, let alone for the United States itself to abandon the system, would only worsen these problems.

The most immediate response to the Trump administration's retreat has come on trade. The prospect of the United States' withdrawal from the global trading system has spurred several large economies to conclude bilateral or regional trade agreements. In the past year, the EU has all but concluded substantive trade deals with

Canada, Japan, Singapore, and Vietnam, and it has accelerated negotiations with Mexico and the South American trading bloc Mercosur. With surprising speed, the 11 nations remaining in the Trans-Pacific Partnership after the United States withdrew in early 2017 have moved forward with much of the agreement, with Australia and Japan taking the lead. Regional trade talks in Asia and Africa involving China and negotiations among Latin American countries have also gained pace; although these types of negotiations tend to result in lower-quality agreements that would allow only limited liberalization and resolve few regulatory issues, they will divert trade from elsewhere, including the United States.

The Trump administration has begun attacking international institutions from NATO to the UN. By blocking the appointment of new trade-dispute judges to sit on the WTO's seven-member appellate body, the administration is preventing the WTO from functioning normally. Here, the rest of the world has been slower to respond. A few world leaders, such as Argentine President Mauricio Macri, who defended the WTO at the organization's biennial meeting in December, have spoken out. Canada has filed a WTO case against the many unilateral trade measures the Trump administration is pursuing, which may set a precedent for action by other countries. But most have remained silent, possibly because they do not wish to provoke Trump into directly withdrawing from or further attacking the organization.

Some nontrade aspects of the liberal rules-based order can continue to function in the absence of U.S. leadership. Most institutions and forums will not work as well, or as consistently, or as adaptably, but they will persist. The systems that allow international financial cooperation have been largely spared from attack so far, in part because of the Federal Reserve's legal independence. Yet without U.S. leadership, even these regimes will be vulnerable to future economic shocks. In the event of a major downturn, large countries will likely fail to act together if the United States does not contribute. The system is not designed to withstand a full-on assault by Washington. If Trump wants to tear down the order, it will be difficult for other countries to limit the damage.

### **BEGGAR-THY-NEIGHBOR**

Left-wing critics of the U.S.-led liberal economic order often argue that the system encourages countries to race to the bottom, exploiting

poorer populations along the way. This criticism has particular merit when it comes to environmental protections and labor rights, areas in which the United States does not do enough domestically and so lowers global standards. But until recently, a combination of peer pressure and formal agreements encouraged by the United States had increasingly limited the extent to which countries undercut one another. Over the last decade, international efforts, led in part by the Obama administration working through the G-20, had begun to rein in two of the most pernicious beggar-thy-neighbor policies, currency manipulation and the creation of tax havens.

If the U.S. government walks away from its leadership role, this picture will change dramatically. Today, tax competition largely takes the form of constructive pressure to bring rates and coverage somewhat in line with those of comparable economies. The United States, along with some other countries, is disadvantaged under the current system, but only international cooperation has a hope of plugging the holes rather than just driving every country's revenues down. If the United States tries unilaterally to use its tax code to attract corporate headquarters away from other countries, the incentives to race to the bottom by allowing tax evasion will strengthen. The tax bill signed by Trump in December has many complex provisions, but overall, it appears to privilege domestic production in a way likely to both reduce economic efficiency and promote tax conflict internationally.

More broadly, either opportunistic multinational companies will pit countries against one another as governments compete to attract jobs or countries will designate national champions that will demand protection and subsidies. Either way, companies' shareholders will capture more of national incomes, shifting resources away from individual taxpayers and workers and shrinking governments' abilities to deal with social issues and invest in long-term projects. Beggar-thy-neighbor policies will beggar everyone.

Another goal of the postwar liberal order was to give the governments of developing countries a voice. Global governance has never been truly equal; the United States and other major countries have always played a dominant role. And deadlock often stymies institutions in which all member countries have an equal vote, such as at the WTO. But the IMF, the World Bank, and other multilateral development institutions have generally applied consistent criteria across countries when apportioning lending and aid, authorized by their collective membership.

In contrast, in a world in which national security links and bilateral relationships displace general rules and multilateral institutions, aid and crisis financing will grow increasingly politicized. Whether a developing country gets access to financing might come to depend on whether it sits inside a major country's sphere of influence and is willing to accept (or unable to resist) political domination by that country. The IMF and the World Bank will remain, but without backing from rich countries, they will likely not be able to counterbalance this kind of politicization in large parts of the world.

To avoid facing such political pressures, many emerging-market countries will make renewed attempts to hedge against situations in which they need assistance by keeping larger currency reserves, even if that comes at the cost of domestic investment. They will also try to secure patrons who will promise them relatively unconditional assistance when it is needed. With those promises in hand, countries will have less need of help from international institutions and thus will be more willing to keep international monitors out of their decisions. This combination will make financial crises more frequent and, by interfering with international cleanup efforts, more likely to do lasting political and economic damage. The division between middle-income countries and countries that remain poor will grow even starker as inconsistencies in the system will hurt the poorest and smallest countries the most.

## **THE POST-REALITY ECONOMY**

Less obvious but no less destructive effects of the U.S. withdrawal from economic leadership will come on the macroeconomic side. These have begun with recent efforts to compromise economic statistics. The United States has always taken pride in the fact that it relies on independent agencies to report data about its economy. That has allowed it to press other countries to disclose information properly and promptly, given rise to a set of definitions and techniques to help them do so, and created the basis for formal agreements on economic surveillance among technocrats. Objective, standardized economic data allow policymakers to adjust their policies based on more than gut feelings or salesmanship. The Organization for Economic Cooperation and Development and the IMF, with strong support from the United States, help develop and maintain this statistical regime; their regular reports on member countries' policies and performance give voters and investors independent expert assessments to consider.

Yet over the past year, British and U.S. politicians have begun to disparage their own technocrats' findings. In London, government ministers have dismissed official agencies' skeptical analyses of Brexit, and in Washington, Republican members of Congress have rejected legally required assessments of legislation by the Congressional Budget Office and the Joint Committee on Taxation. In some cases, they have even attempted to prevent analyses and data from being released to the public. Politicians will always present numbers in a rosy light and push back against criticism, often with some justification. But when they demand loyalty over objectivity and suppress findings they do not like, they legitimate tactics that were once the preserve of autocrats. Other self-interested politicians will follow this lead. It is impossible to put a number on the damage this could do by allowing wrong-headed policies, distorting and deterring investment by raising uncertainty, and reducing the ability of publics to hold their governments accountable.

As the United States turns away from the liberal rules-based order and economic decisions grow more intertwined with political power, uncertainty will rise and returns on investment will fall. Governments will work to trap investment at home, either to create domestic jobs or to fund a corrupt political system. Those efforts will always come at an economic cost. If they did not, governments would not have to prevent money from flowing abroad. Policies that restrict foreigners' ability to invest in a particular country are more of a mixed bag. Limits on some kinds of foreign investment can help prevent destabilizing surges of capital into and out of economies. But such policies can easily go too far since foreign direct investment brings a wide range of benefits for advanced and developing economies alike.

If governments begin to restrict capital flows, investors will find it harder to diversify their investments across the global economy. That will expose households and businesses to greater losses from volatility within their particular country or region. Laws that make it more difficult for households to get their savings into or out of an economy will reduce the level of investment and shift it toward more liquid assets, such as cash and government bonds. Worthwhile business ventures will struggle to raise capital.

Wealthy but aging societies in Europe, North America, and Northeast Asia need to invest in growing emerging-market countries to sustain their retirement incomes. Emerging economies need investment from wealthier countries to build roads, bridges, and hospitals; develop

Internet and other communications networks; and train doctors, teachers, and other professionals. But if politicians and national security threats interfere with investment between countries or among different sectors of the economy, that win-win exchange will become more tenuous, leaving both retirees and workers around the world worse off.

## **TRADE ON**

The international free-trade regime forms the most visible—and the most reviled—aspect of the postwar economic order. But it is here that U.S. withdrawal might actually do the least harm. The United States is more dispensable to the rules-based trading regime than it is in other economic spheres, and the other major trading countries are responding to U.S. withdrawal by deepening their own trade agreements. International trade has persisted throughout recorded human history, even when some global economies have left the system (as China did from the mid-fifteenth century to the mid-eighteenth century, Japan did from the mid-seventeenth century to the mid-nineteenth century, and the Soviet Union did throughout its existence). Trade can be limited, but never completely squelched.

U.S. withdrawal will still hurt. Countries have already begun to shift their trade flows, supply chains, and business relations away from the U.S. market. This process will only accelerate as the United States retreats. Although the U.S. economy's sheer size will make it impossible for other countries to completely divert trade around it, that size will also worsen the global economic losses from the United States' withdrawal.

If the United States entirely abandons the global free-trade system, the result will be a massive reduction in the size of global markets. That would leave consumers with less variety and worse quality in the products they buy, leave companies less able to take advantage of economies of scale, and leave countries more likely to diverge from the common technologies and standards that make modern life possible. Global competition would wither. The United States itself would suffer as companies pursued opportunities in places where new trade deals expanded markets and the politics were more favorable. Among the biggest losers would be Americans themselves, as they would soon pay more than they do now for almost everything and miss out on the new jobs and growth that would otherwise have come from the rise of developing economies.

As the leader of the global economic order, the United States has, albeit insufficiently, pushed to enshrine tougher standards for anticorruption, environmental protection, and human rights in major trade deals such as the Trans-Pacific Partnership. There is still room for improvement, but trade deals without the United States, especially those that include China but not the EU, will likely score far worse on all these counts. Even the EU may compromise more readily than before when it becomes the leading high-income economy in the global trading system. Without the United States to counterbalance it, Brussels will be tempted to sell out its values for economic gain. It may restrict the spread of biotechnologies and agricultural innovations, as many EU countries have an anti-science opposition to them; attempt to split up the Internet in order to advantage European companies in search, shopping, and social networking; and acquiesce to demands from Beijing to transfer militarily useful technology or recognize its territorial claims in return for preferential access to Chinese markets. The United States has sometimes failed to stand on principle on these matters, but U.S. leadership with European support remains the only way to make any progress on such issues. Otherwise, the incentives for each major economy will be to pander and compromise.

### **THE HOUSE THAT WE BUILT**

The United States has at times failed to live up to its ideals as the leader of the liberal economic system. That failure has grown more frequent since 9/11, as many Americans have felt threatened by the growth of terrorism and the economic rise of China. That trend also reflects a recurrent nativism in the U.S. electorate and Congress that predates—and contributed to—Trump's election. The United States has played too dominant a role in some areas of global economic discussion and been reluctant to allow other countries to help set the agenda, partly in an effort to pander to domestic nationalists by maintaining the symbolism of dominance. But far worse than a lackluster leader is one that abandons its role altogether or even works actively to subvert the system's values. A return to bullying would only harm economic growth.

The United States' motivation for building the postwar economic system was as much preventing conflict as promoting growth. In setting out the rules by which all members would conduct business, the architects of the system hoped to separate economic from military competition. U.S. withdrawal need not result in economic or physical wars, but



it will raise the risk of stumbling into conflict by accident. Without agreed-on rules, even minor economic disputes have the potential to set off escalating counterattacks. If the norm of separation between economic and military confrontations breaks down, economic frictions, such as Chinese theft of intellectual property or restrictions on trade with a nuclear Iran or North Korea, could turn into outright conflict.

It is plausible that as the United States retreats and thereby weakens its economy, the Trump administration will blame the economic damage not on its own actions but on foreign governments, creating a self-perpetuating cycle of anger. When other major countries step forward to preserve the open economic order, or defend themselves against U.S. economic aggression, Washington may interpret that as an attack on U.S. primacy. The Trump administration might even misinterpret the current forbearance by China or the EU as a sign of weakness and an invitation to escalate confrontations.

Today, a smaller share of the world's population than ever lives in poverty, and a larger share than ever lives a middle-class existence. This is not solely the result of China's astonishing rise. In Chile, Ethiopia, India, Indonesia, South Korea, Vietnam, and the countries of the former Soviet Union, economic growth has brought hundreds of millions of people out of what amounted to subsistence or little better. This miracle took place without conquest or even much conflict, and with greater protections for private property and human rights than ever before. The liberal order constructed and led by the United States made such progress possible by giving countries, businesses, and individuals the opportunity to build their economic lives without fear of a foreign power taking away what they had made. That U.S. leadership has not, as some have charged, hurt the United States. The country's rampant inequality and wage stagnation are largely the result of domestic political choices and failures. A world in which the United States ceases to lead—or, worse still, attacks—the system it built will be poorer, nastier, less fair, and more dangerous for everyone. 🌐

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# Trump's Trade War Escalates

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History Shows That Threats Won't Work

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*Allison Carnegie*

JUNE 25, 2018

**T**rade hostilities between the United States and China continue to escalate. Last week, U.S. President Donald Trump threatened to place tariffs of ten percent on \$200 billion worth of Chinese goods after China retaliated against his previous threats to put tariffs of 25 percent on \$50 billion worth of its products. Washington has warned of additional trade protection if China retaliates again. The latest move comes in addition to the 25 percent tariff on steel and the ten percent tariff on aluminum that the United States has placed on several countries, including China.

The Trump administration has declared that China must fulfill its demands before it will lift the tariffs. It wants China to cut its trade deficit with the United States, protect U.S. intellectual property, accept restrictions on Chinese investment in sensitive U.S. technology, allow greater U.S. investment in China, and remove trade barriers. Washington also wants a variety of concessions from many of its other trading partners.

Although commentators often describe Trump's approach as a radical departure, U.S. attempts to strong-arm its trading partners are nothing new. Examining what happened the last time the United States tried to bully China can shed light on the likely outcome this time around.

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**ALLISON CARNEGIE** is Assistant Professor of Political Science at Columbia University.

The prognosis is not good, in either the short term or the long term. Trump wants to put the United States first in order to get better deals. History suggests that his strategy will have the opposite effect.

### **WHY TRADE THREATS WON'T WORK**

The United States has often used trade policy to try to coerce China into making political and economic concessions. Things got particularly heated after 1979, when Washington gave Beijing short-term tariff reductions (known as “most favored nation” status) but made their yearly renewal contingent on China implementing a variety of concessions. These included improving human rights, reducing weapons proliferation, and cutting tariffs on U.S. goods. The United States warned that if China failed to comply, it would restore its tariffs to their previously high levels.

It didn't work. Each year, China would make some minimal gesture, such as releasing a few political prisoners, in advance of the congressional vote over whether to renew its low tariff rates, but it did little else. In 1990, U.S. President George H. W. Bush admitted that overall there hadn't been much give in China's human rights policy or other areas in which Washington had demanded reforms. In addition, the threat of raising tariffs seems to have deterred trade and investment between the two countries.

Today, these kinds of tactics are even less likely to work. China now represents roughly 15 percent of the global economy, and the United States' economic reliance on China has grown considerably over the past 25 years. Washington is now trying to pressure a country that can retaliate. The Chinese government will likely score political points for doing so, since the Chinese people will support standing up to the United States in the same way that Canadians are reacting to U.S. tariffs.

Already, instead of acquiescing, large U.S. trade partners, including China, are fighting back. China has developed its own list of counter-demands and announced retaliatory tariffs, as have other U.S. trading partners, often targeting products in key political districts. Trading partners are also decreasing their dependence on the U.S. market so that the United States will lose leverage over them in the future.

As in the past, these policies are undermining trade between the United States and the targets of the current tariffs, while imposing costs on American people and businesses by raising prices and heightening the risk of layoffs and losses on investments that are no longer

worthwhile. Firms thrive on certainty, so these threats of disruption to trade hurt investment. And because investments today can affect trade far into the future, this can have major long-term economic consequences.

### **LONG-TERM DAMAGE**

After past trade disputes, Washington recognized that its threats against Beijing weren't winning concessions and were harming the U.S. economy. That's why it allowed China to join the World Trade Organization in 2001. Joining the WTO was understood as a way to remove trade policy as a tool of political influence in order to reap the benefits of increased trade and investment. Washington and Beijing agreed to a set of rules and to allow the WTO to monitor compliance and adjudicate disputes.

This seems to have worked well. The economists Kyle Handley and Nuno Limão estimate that the reduced uncertainty following China's accession explains one-third of China's subsequent export boom to the United States, a boom that dramatically reduced prices on U.S. goods.

The problem now is that the United States is again using trade to try to gain leverage over China and other countries, but all of these countries are already WTO members. Washington is therefore undermining the primary mechanism by which it can reassure its partners that it won't use trade to bully them.

The Trump administration has claimed that its actions are consistent with the WTO's rules, so that the United States is just as reliable a trading partner as it has always been. Although the WTO has yet to rule on the legality of the administration's actions, they clearly violate the spirit of the law and the norms that have been in place for decades.

The United States' claim that its steel and aluminum tariffs are justified under the WTO's "national security exception"—a broad loophole that exempts trade restrictions enacted for national security reasons—is particularly worrying. What constitutes a valid national security reason is unclear and is essentially left for countries to determine for themselves. Since a country could argue that virtually anything falls under this exception, governments have largely avoided using it. Indeed, no WTO panel has ever been asked to rule on it before.

In addition, the WTO's rules say that countries should bring their grievances to the WTO rather than enacting unilateral punishments in response to perceived violations of their trade agreements. The purpose of this rule is to discourage tit-for-tat retaliations that can spiral into trade wars. By enacting new tariffs in response to its allegations

of China's intellectual property theft, the United States is sparking exactly that sort of costly dispute.

More broadly, research I conducted with fellow political scientist Austin Carson shows that openly flouting international norms can weaken them by showing other countries that defections are more common and acceptable than they thought. These countries often respond by violating their agreements, too. After all, no one wants to be the only sucker who follows the rules. Trump's actions are already prompting defections: the retaliatory tariffs placed on the United States almost certainly violate the WTO's laws.

In the long term, the United States may thus erode the system of trade that it built for its own benefit. Now that it has demonstrated its willingness to violate international trade norms, both countries and multinational firms will likely use more caution when dealing with the United States. They may even wonder whether it can be trusted on issues unrelated to trade. That could hurt cooperation on other economic and security issues as well.

### **ALTERNATIVES TO A TRADE WAR**

It's understandable that the United States would want to protect its intellectual property rights and gain more market access for its companies. But using trade to pressure China has real costs. In fact, when China joined the WTO, Congress recognized that it would no longer be able to use trade to threaten China without breaking its commitments. As Robert Underwood, the delegate to the House of Representatives from Guam, explained, "Once China is a member of the WTO, the United States still can impose sanctions on China but they have to be WTO consistent." So Congress developed alternatives, creating the Commission on the People's Republic of China to "investigate and criticize" the country and using the Export-Import Bank, the Trade and Development Agency, and the Overseas Private Investment Corporation as alternative means to pressure China.

As well as using these mechanisms, the United States could negotiate a new cooperative agreement with Beijing to address its specific concerns. Since U.S. allies have many of the same complaints about China's economic practices, it would make sense to craft a broad agreement that included them as well. In fact, the Trans-Pacific Partnership included investment provisions that would have addressed many points of contention, including over technology transfers. The United

States has abandoned the TPP, but it could resume long-running talks over a bilateral investment treaty that would cover these issues. That process might seem frustratingly slow, but it has a better chance of success than unilateral threats and demands, which will only undermine the international trading system and fail to win the United States any significant victories. 🌐

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# The Use and Misuse of Economic Statecraft

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## How Washington Is Abusing Its Financial Might

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*Jacob J. Lew and Richard Nephew*

NOVEMBER/DECEMBER 2018

Since the end of the Cold War, the United States has come to rely more and more on economic tools to advance its foreign policy goals. Some of these tools, such as sanctions, involve the direct application of economic pressure. Others, such as the promotion of free trade and open markets, work by changing other countries' incentives. But all of them rest on a recognition that unrivaled economic power gives the United States a singular capacity to pursue its interests without resorting to force.

But economic power, like any tool, can have unfortunate results if wielded unwisely, producing unwanted short-term consequences and prompting the long-term decline of U.S. economic leadership. Today, Washington is increasingly using its economic power in aggressive and counterproductive ways, undermining its global position and thus its ability to act effectively in the future. Symptoms of the problem have been evident for years, but it has gotten markedly worse under the Trump administration, which has pursued reckless tariffs against

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**JACOB J. LEW** is Visiting Professor of International and Public Affairs at the School of International and Public Affairs (SIPA) at Columbia University and a Partner at Lindsay Goldberg. He served as U.S. Treasury Secretary from 2013 to 2017.

**RICHARD NEPHEW** is Senior Research Scholar at SIPA's Center on Global Energy Policy and served as Deputy Coordinator for Sanctions Policy at the U.S. State Department from 2013 to 2015.

both allies and rivals, reimposed sanctions on Iran without any pretense of international support, and acted in both cases with little evident regard for the negative consequences to U.S. interests.

Every policy presents a tradeoff. Yet U.S. officials seem to have adopted the belief that the United States is so large and powerful that the laws of economic and political gravity no longer apply to it. According to this line of thinking, the country can start trade wars and no one will retaliate because, in the words of Peter Navarro, the director of the Trump administration's National Trade Council, "we are the most lucrative and biggest market in the world." The United States can threaten sanctions against its closest partners and allies, and they will somehow still cooperate, now and in the future. And it can continue to make poor economic choices, and the primacy of the U.S. dollar will somehow remain unchallenged.

But in an increasingly multipolar world, the economic influence that the United States has enjoyed since the end of World War II can no longer be taken for granted. And an aggressive or unilateral approach to economic statecraft—a dynamic that was evident at times across multiple administrations but that has reached an extreme under the current one—threatens that very influence. If the Trump administration continues down its current road, then it runs the risk not only of provoking global resistance that will thwart its immediate policy goals but also of reducing the United States' long-term leverage on the global stage. That outcome would be both tragic and ironic: U.S. policymakers, blinded by a belief in their country's unlimited power, will have accelerated its decline.

### **THE IMPORTANCE OF BEING PRUDENT**

Economic statecraft—the use of economics as a tool of foreign policy—can take many forms. The best example is sanctions, which directly impose economic penalties on foreign countries or individuals for noneconomic reasons, but other types of economic policy can also be used for strategic ends. Trade, for example, is often used to gain international influence or pursue diplomatic goals. And as with military power, the tools of economic statecraft don't always have to be used to achieve their desired effect: sanctions sometimes work best when the mere threat of them prompts a concession.

Over the past three decades, globalization has increased the importance of good economic statecraft. Greater interconnectedness means that



countries are now benefiting from opportunities around the world; at the same time, they are more exposed than ever to risks that flow from decisions made on the other side of the planet. This interconnectedness gives policymakers, especially those in a country as economically powerful as the United States, an important source of leverage. Thanks to globalization, foreign banks and companies will often comply with U.S. sanctions not because their own governments require it but because they wish to retain access to the U.S. market, dollar, and financial system, greatly magnifying the power of those sanctions.

Yet this advantage is not a license for the United States to do whatever it wants. There are risks and costs to economic statecraft, and using it properly is a careful balancing act. Before imposing sanctions, for instance, U.S. policymakers should consider whether the measures might violate trade agreements or other international obligations and, if so, whether the benefits will still outweigh the costs. They should be doubly cautious in cases where their actions could undermine fundamental U.S. interests, whether in the promotion of free trade, the creation of markets for U.S. goods and services, or the protection of institutions that facilitate global business and development. In fact, prudence and restraint are often cardinal virtues in U.S. economic statecraft, since radical changes may threaten the United States' current position of economic power.

### **KING OF THE HILL**

Although sanctions and other forms of economic coercion had long been tools in the U.S. foreign policy arsenal, their use greatly expanded after the collapse of the Soviet Union, which left the United States with unprecedented economic and political power. According to the economists Gary Clyde Hufbauer, Jeffrey Schott, and Kimberly Ann Elliott, during the 1990s, Washington used some form of unilateral sanctions against 35 countries, up from 20 the previous decade. In some cases, including the U.S. sanctions against Iraq in 1990–91, Yugoslavia in 1991, and Rwanda in 1994, the United States worked with other countries in the UN Security Council to legitimize the measures. But if coordinated international pressure was unachievable or failed to convince a country to change its behavior, Washington did not hesitate to resort to more aggressive, unilateral measures.

The most important of these were what policymakers call “secondary sanctions.” Regular, or “primary,” sanctions bar U.S. citizens and

firms from doing business with particular companies or individuals. Secondary sanctions, by contrast, prohibit Americans from doing business not only with sanctioned companies and people but also with any third parties dealing with them. If a bank in France made a loan to a company in Iran, for instance, Americans could be barred from dealing with that bank, even if the loan were legal under French law. The result would be to effectively shut the French bank out of the U.S. financial system. And because so many of the world's major companies are involved in the American financial system or conduct business in U.S. dollars, secondary sanctions give U.S. policymakers a far longer reach than they would otherwise enjoy.

Other countries often bristle at secondary sanctions, viewing them as a particularly brazen example of American unilateralism and an illegal, extraterritorial application of U.S. law. In 1996, Congress authorized the U.S. government to sanction foreign companies for doing business with Cuba or for investing in the Iranian or Libyan oil sectors. The EU responded by accusing Washington of violating both European sovereignty and international law, initiating proceedings against the United States at the World Trade Organization (WTO), and passing legislation prohibiting European firms from complying with U.S. sanctions against those countries. Tensions were defused only when the Clinton administration agreed not to enforce secondary sanctions against European companies in exchange for greater U.S.-European policy harmonization on Cuba, Iran, and Libya.

After the 9/11 attacks, President George W. Bush took a more aggressive line as part of the war on terrorism, regularly asserting that the United States could impose penalties against companies and people that had no physical presence in the country yet did business in dollars or through U.S. financial institutions. In 2006, for instance, U.S. officials invoked an executive order concerning the proliferation of weapons of mass destruction (signed by Bush the year before) to warn foreign firms that they could be sanctioned for working with Iranian companies. And in 2010, in an effort to further punish Tehran for its nuclear program, Congress dramatically expanded secondary sanctions on foreign financial institutions doing business with Iran while limiting the president's authority to waive their enforcement.

European governments, among others, could have resisted these sanctions and complained about their enforcement, as they did in the 1990s. At the time, however, they were working closely with the

United States to deal with the Iranian threat, including by tightening UN sanctions on Iran. The Europeans were therefore willing to cooperate with the United States in sanctions enforcement, leading many in Washington to believe that they had accepted secondary sanctions as a legitimate policy tool.

They had not. Although the Europeans agreed that Iran needed to be pressured, they continued to insist that the EU pass its own sanctions and that European companies follow European, not U.S., law. European officials continued to object, moreover, when Washington enforced its primary sanctions on European banks using the U.S. financial system to do business with sanctioned entities. In 2014, for example, the United States fined the French bank BNP Paribas nearly \$9 billion for violating U.S. sanctions on Cuba, Iran, and Sudan, prompting accusations from Paris of “economic warfare” and an attempt by French President François Hollande to convince Washington to waive the fine. Europe’s frustrations sent a clear signal: aggressive use of U.S. economic power can produce blowback, even from close allies.

Yet even as U.S. policymakers became more willing to assert global sanctioning authority during the Bush and Obama administrations, they understood the limits of confrontation. Consider how the Obama administration dealt with getting China to join the sanctions against Iran. True, the administration compelled China to reduce its purchases of Iranian oil and used secondary sanctions to punish myriad Chinese entities for doing business with Iran. But the administration picked its battles. Although China reduced its purchases of Iranian oil by less than the 20 percent that other countries did, Washington accepted China’s contribution to the pressure campaign and declined to apply secondary sanctions against Chinese entities buying Iranian oil, since doing so could have undermined progress on other important bilateral issues or started a costly sanctions or trade war.

The Obama administration also chose to tread carefully when organizing sanctions against Russia in response to its invasion and annexation of the Crimean Peninsula in early 2014. Unlike China, Russia is not a global economic power, but it does have a great deal of leverage in Europe, particularly in the energy sector. Even today, the country is the EU’s fourth-largest trading partner, and the Russian and European financial sectors are tightly linked, meaning that any damage done to financial institutions in Russia could easily spread to those in Europe, creating the risk of global contagion.

In deciding how to respond to Russian aggression, U.S. policymakers thus had to consider the interests of their European allies. When the United States and the EU finally agreed on sanctions, they carefully engineered them to concentrate pressure on the key decision-makers in Moscow while leaving Russia's energy exports to Europe intact. The early sanctions, enacted in the initial months of 2014, targeted influential individuals around Russian President Vladimir Putin and their preferred financial institution, Bank Rossiya. As Russia moved deeper into Ukraine throughout 2014, the campaign intensified, with the United States, the EU, and other allies passing new sanctions limiting Russian access to international debt and equity financing. Although the results of these sanctions were mixed—Russia did not withdraw from Ukraine, but it did suffer real economic pain and eventually came to the negotiating table—Washington managed to preserve a cooperative relationship with its allies.

To be sure, excessive deference to international concerns is not always a virtue. For example, the Obama administration could have—and in retrospect perhaps should have—pushed China earlier and harder to join in the international sanctions against North Korea. Believing that Pyongyang was still years away from developing a deliverable nuclear warhead, the White House limited its short-term pressure on Beijing over this issue in order to secure its cooperation in other areas, such as the negotiations with Iran over its nuclear program and the Paris agreement on climate change. Only once it became clear in 2016 that North Korea's nuclear and missile programs were advancing rapidly did the Obama administration increase pressure on China and win support in the UN Security Council for tougher international sanctions.

President Donald Trump, to his credit, has been more willing to squeeze China for concessions on North Korea. Through bellicose rhetoric and a tightened multilateral sanctions regime, he succeeded in convincing China to step up its enforcement of international sanctions on North Korea. It is doubtful whether the current U.S.–North Korean talks will go anywhere, but even so, Trump's high-risk approach helped drive North Korea to the negotiating table. A potential side effect, however, is that the Trump administration has learned the wrong lesson from its success: that the aggressive use of sanctions pressure always pays off.

## **PENNY WISE, DOLLAR FOOLISH**

Although sanctions have been key instruments for the United States, they are not the only tools of U.S. economic statecraft. During the 1990s and the first decade of this century, the United States worked to remove trade barriers through both bilateral and multilateral agreements while strengthening institutions behind them, such as the WTO. In so doing, it expanded growth, encouraged developing countries to embrace free markets and open societies, and helped reduce global poverty.

Yet in its engagement with international institutions, as with sanctions, Washington's perception of its own invulnerability has at times undermined its interests. Even as it promoted free trade, the United States was gradually becoming a less reliable partner in funding the institutions that held up the global economic order. It fell into arrears at the UN in 1985, and its commitments to the World Bank and the International Monetary Fund have been in constant peril since the 1990s. Washington has historically been the main funder of the largest international financial institutions (IFIs)—the World Bank and the IMF—which has granted the United States powerful influence within them, including veto power over their major decisions. Although U.S. funding for those IFIs has remained sufficient to retain that veto power, it has been shrinking as a percentage of total new commitments.

Helping fund IFIs serves U.S. interests. By contributing to international financial stability, IFIs reduce the risk of crises that could damage the U.S. economy; by establishing common standards for financial behavior, they get emerging-market countries invested in the rules-based liberal order; and by distributing economic burdens, they allow the United States to pursue its interests at a reduced cost to itself, as was the case with the U.S.-led IMF campaign to stabilize Ukraine's economy in the face of Russian aggression. But when Washington does not pay its bills or prevents the institutions from giving greater voice to emerging-market countries, it limits its own ability to project power.

The IMF is a case in point. Since the 1990s, its funding has been a source of fractious debates in Congress. In 1998, a bill to appropriate money for the fund passed thanks mainly to the bipartisan efforts of senators representing agricultural states, who saw the IMF as a means to maintain U.S. export markets abroad. And when the IMF attempted to enact reforms in 2008 and 2010 to replenish its capital after the global financial crisis, proposing a doubling of total member contributions and a greater vote share for developing countries, it

took Congress until 2015 to approve the reforms. Frustrated by the long delay and their lack of influence within the organization, emerging-market countries responded by creating new multilateral institutions, such as the New Development Bank and the Asian Infrastructure Investment Bank.

U.S. leadership at the World Bank and IMF grants Washington enormous leverage. But although it has veto power in these institutions, it cannot automatically win support for its priorities within them. Doing so requires international consensus, which becomes harder to achieve the more that other countries think the United States is shirking its responsibilities. Washington supported IMF loans to Europe after the 2007–8 economic crisis, which reduced U.S. exposure to financial contagion, and to Iraq in 2004 and 2016, which helped the U.S. war effort by stabilizing the Iraqi economy. In both cases, IFIs bore much of the financial burden for policies important to the United States. Washington was able to win support for these efforts, but the longer its commitment to IFIs withers, the harder such support will be to obtain.

### **TRUMP'S WRONG TURN**

Although international concerns about Washington's aggressive use of economic tools have been growing for decades, they have become even more acute under Trump. His administration is behaving as if the United States is immune to consequences, whether in the form of adversaries exerting economic pressure or allies rejecting the legitimacy of U.S. policy. This hubris is particularly evident in two areas: the administration's protectionist trade policy and its withdrawal from the Iran nuclear deal.

On trade, Trump got off to bad start by pulling out of the Trans-Pacific Partnership, a 12-nation free-trade agreement, during his first week in office. Matters have only gotten worse in 2018, as the United States has imposed tariffs on a wide range of imports, including aluminum, solar panels, steel, and washing machines. These have applied not only to rival states, such as China, but also to close allies, such as Canada, Mexico, and the EU. Although the United States can point to legitimate concerns, such as China's exporting of aluminum and steel at artificially low prices, Trump's policies are doing more harm than good. Other countries have responded with retaliatory tariffs against U.S. goods, from soybeans to Harley-Davidson motorcycles, but even more concerning than the economic costs is the damage that has been

done to relations with allies. Moreover, Trump's tariffs, coming at the same time as his shift on Iran, have antagonized Washington's European allies, in particular, with leaders across the continent now calling for greater EU independence from the United States.

On Iran, Trump has also managed to undermine U.S. interests through bellicose, unilateral action. When Trump withdrew the United States from the Iran deal in May, he did so against the wishes of every other party to the agreement and despite all available evidence suggesting that Iran was complying with it. The administration then began reimposing U.S. sanctions and threatening to aggressively enforce secondary sanctions against companies whose governments have remained in the deal, including those of the United States' Asian and European allies.

Trump's decision has begun to seriously affect Iran's already shaky economy. Iranian oil exports have been dropping since April, and analysis by BMI Research estimates that the country's GDP will shrink by 4.3 percent in 2019. This should come as no surprise. Officials in the Obama administration often stated that U.S. sanctions, if reimposed, could damage the Iranian economy, notwithstanding the relief it had enjoyed under the Iran deal. But the point of sanctions is not simply to impose pain; it is to use this pain as part of a negotiating process, with the aim of getting policy concessions from the other side. Sanctions work only if other countries believe that they can obtain relief by changing their behavior. If a country bows to U.S. demands only for Washington to reimpose sanctions, as Trump has done with Iran, there is little incentive for compliance in the future.

By going it alone and pulling out of the Iran deal, the United States has potentially failed in terms of both exerting pain and prompting concessions. Washington's closest European allies, such as France, Germany, and the United Kingdom, are now working directly with the Iranian government to find ways of diverting business away from the dollar-based financial system in order to avoid U.S. sanctions and keep the existing deal in place. In July, the remaining participants in the nuclear deal released a joint statement that included a lengthy list of efforts to block the enforcement of U.S. sanctions, such as maintaining financial channels with Iran, promoting trade and export credits, and encouraging European investment in the country. Even if these efforts fail in the short term, they could eventually lead to the development of new strategies for working around U.S. policy.

## **LOSING THE RACE**

The outlook for U.S. economic statecraft, if it continues on its present trajectory, is bleak. When it comes to sanctions, other countries will likely soon begin challenging or ignoring measures that have been imposed by Washington without international support. The more that other countries are willing to cheat on sanctions or simply look the other way, the more the United States alone will have to shoulder the burden for monitoring and enforcing them. As more nations find means of avoiding enforcement, such as business structures that separate companies transacting with the United States from those transacting with sanctioned entities, U.S. sanctions will begin to lose their effectiveness. And if other countries band together to reject U.S. sanctions, Washington could find itself having to choose between enforcing against everyone and giving up on the sanctions.

Things will get even worse as the United States loses its dominant position in the global economy. Today, the country largely gets its way because there is no alternative to the dollar and no export market as attractive as the United States. But if Washington continues to force other nations to go along with policies that they consider both illegal and unwise, over the next 20 to 30 years, they are likely to shift away from the United States' economy and financial system. On a long enough timeline, the formation of alternative centers of economic power may be inevitable, but it would be foolish to accelerate this process and worse to make the United States toxic while doing so.

On trade, too, the United States faces a future of more, and possibly more unfair, competition. The current international economic system does not operate perfectly, but it does have rules against unfair trading practices and the means of enforcing them. Moreover, the system incentivizes all nations to obey the rules. China and Russia did not join the WTO simply for prestige; they also wanted to obtain the benefits that flow from membership, such as preferential tariff rates and a legal remedy against protectionism. If the United States abandons its role as the guarantor of this system, other countries may rewrite the rules of trade. They are unlikely to do so with U.S. interests in mind.

## **GETTING BACK ON TRACK**

If Washington wants to maintain its economic leverage in the future, U.S. policymakers will have to temper the unilateral approach to economic statecraft that they have increasingly adopted since the end of



the Cold War. To begin with, they must be honest with themselves about the limits of U.S. power and the tradeoffs that accompany any policy. The United States must protect its right to act unilaterally, and in some cases, it will make sense to pursue an aggressive line or act against the wishes of U.S. allies. But policymakers should do so in full knowledge of the potential consequences and only when truly necessary—indeed, unilateral actions will be easier to justify if they are seen as exceptions rather than the rule.

There are three immediate policy changes that would help get U.S. economic statecraft back on track. First, the Trump administration should stop its destructive and divisive trade war, especially with U.S. allies. Given its economic strength, the United States may not lose a trade war with Canada or the EU, but it will not win one, either. Regardless of which side suffers more, a sustained trade war will not just damage the U.S. economy by disrupting long-standing patterns of trade and incentivizing companies to avoid doing business in the United States. It will also limit U.S. power and influence.

Second, the United States should restrict its use of secondary sanctions, deploying them only in pursuit of the most important national security objectives and only after trying and failing to persuade other nations to join in multilateral sanctions. Secondary sanctions are a tempting policy tool, since using them is far easier than working through international institutions or diplomacy. But they should be used sparingly and in coordination with partners. If Washington continues to rely on them without developing a broad consensus in favor of its policy goals, efforts on the part of other countries to reduce their dependence on the United States will only accelerate.

Finally, the United States should seek to coordinate internationally when possible. The Trump administration has sung the praises of independent action, which allows Washington to avoid the compromises that come with multilateral approaches. But although getting buy-in can be time consuming and frustrating, the resulting measures are more likely to succeed and persist. Multilateralism also strengthens international institutions, which distribute responsibility and make it less likely that the United States will have to shoulder a disproportionate share of the burden.

At present, it seems unlikely that Trump will arrest the trend toward more aggressive unilateralism in U.S. economic statecraft; indeed, he may accelerate it. If he does, it will fall to Congress to both control its

own impulses toward unilateral action and exercise oversight over executive-branch decisions on sanctions and trade policy, ensuring that these are prudent and in keeping with U.S. interests. It is not too late for the United States to mitigate some of the risks it currently faces and to set the stage for a more effective use of economic statecraft in the future. Doing so, however, will require something more than threats and bluster—it will require an honest reckoning on the part of U.S. policymakers with the limits of American power. 🌐

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# Trump's Assault on the Global Trading System

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And Why Decoupling From China Will Change Everything

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*Chad P. Bown and Douglas A. Irwin*

SEPTEMBER/OCTOBER 2019

**D**onald Trump has been true to his word. After excoriating free trade while campaigning for the U.S. presidency, he has made economic nationalism a centerpiece of his agenda in office. His administration has pulled out of some trade deals, including the Trans-Pacific Partnership (TPP), and renegotiated others, including the North American Free Trade Agreement (NAFTA) and the U.S.-Korea Free Trade Agreement. Many of Trump's actions, such as the tariffs he has imposed on steel and aluminum, amount to overt protectionism and have hurt the U.S. economy. Others have had less obvious, but no less damaging, effects. By flouting international trade rules, the administration has diminished the country's standing in the world and led other governments to consider using the same tools to limit trade arbitrarily. It has taken deliberate steps to weaken the World Trade Organization (WTO)—some of which will permanently damage the multilateral trading system. And in its boldest move, it is trying to use trade policy to decouple the U.S. and Chinese economies.

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**CHAD P. BOWN** is Reginald Jones Senior Fellow at the Peterson Institute for International Economics.

**DOUGLAS A. IRWIN** is John French Professor of Economics at Dartmouth College and the author of *Clashing Over Commerce: A History of U.S. Trade Policy*.

A future U.S. administration that wants to chart a more traditional course on trade will be able to undo some of the damage and start repairing the United States' tattered reputation as a reliable trading partner. In some respects, however, there will be no going back. The Trump administration's attacks on the WTO and the expansive legal rationalizations it has given for many of its protectionist actions threaten to pull apart the unified global trading system. And on China, it has become clear that the administration is bent on severing, not fixing, the relationship. The separation of the world's two largest economies would trigger a global realignment. Other countries would be forced to choose between rival trade blocs. Even if Trump loses reelection in 2020, global trade will never be the same.

### **BATTLE LINES**

The first two years of the Trump administration featured pitched battles between the so-called globalists (represented by Gary Cohn, then the director of the National Economic Council) and the nationalists (represented by the Trump advisers Steve Bannon and Peter Navarro). The president was instinctively a nationalist, but the globalists hoped to contain his impulses and encourage his attention-seeking need to strike flashy deals. They managed to slow the rollout of some new tariffs and prevent Trump from precipitously withdrawing from trade agreements.

But by mid-2018, the leading globalists had left the administration, and the nationalists—the president among them—were in command. Trump has a highly distorted view of international trade and international negotiations. Viewing trade as a zero-sum, win-lose game, he stresses one-time deals over ongoing relationships, enjoys the leverage created by tariffs, and relies on brinkmanship, escalation, and public threats over diplomacy. The president has made clear that he likes tariffs (“trade wars are good, and easy to win”) and that he wants more of them (“I am a Tariff Man”).

Although the thrust of U.S. policy over the past 70 years has been to pursue agreements to open up trade and reduce barriers, every president has for political purposes used protectionist measures to help certain industries. President Ronald Reagan, for example, capped imports to protect the automotive and steel industries during what was then the worst U.S. recession since the Great Depression. Trump, however, has enjoyed a period of strong economic growth, low unemployment, and a virtual absence of protectionist pressure

from industry or labor. And yet his administration has imposed more tariffs than most of its predecessors.

Take steel. Although there is nothing unusual about steel (along with aluminum) receiving government protection—the industry maintains a permanent presence in Washington and has been an on-again, off-again beneficiary of trade restrictions since the Johnson administration—the scope of the protection provided and the manner in which the Trump administration gave it last year were unusual. In order to avoid administrative review by independent agencies such as the nonpartisan, quasi-judicial U.S. International Trade Commission, the White House dusted off Section 232 of the Trade Expansion Act of 1962. This Cold War statute gives the president the authority to impose restrictions on imports if the Commerce Department finds that they threaten to harm a domestic industry the government deems vital to national security.

The Trump administration's national security case was weak. More than 70 percent of the steel consumed in the United States was produced domestically, the imported share was stable, and there was no threat of a surge. Most imports came from Canada, Germany, Japan, Mexico, and other allies, with only a small fraction coming from China and Russia, thanks to antidumping duties already in place on those countries. The number of jobs in the U.S. steel industry had been shrinking, but this was due more to advances in technology than falling production or imports. In the 1980s, for example, it took ten man-hours to produce a ton of steel; today, it takes just over one man-hour. Even the Defense Department was skeptical about the national security motivation.

Prior administrations refrained from invoking the national security rationale for fear that it could become an unchecked protectionist loophole and that other countries would abuse it. In a sign that those fears may come true, the Trump administration recently stood alongside Russia to argue that merely invoking national security is enough to defeat any WTO challenge to a trade barrier. This runs counter to 75 years of practice, as well as to what U.S. negotiators argued when they created the global trading system in the 1940s.

The Trump administration dismissed all those concerns. The president and leading officials desperately wanted to help the steel and aluminum industries. (It did not hurt that Wilbur Ross, the commerce secretary, and Robert Lighthizer, the U.S. trade representative, both used to work for the steel industry.) The administration also believed that its

willingness to impose economic self-harm in the form of higher steel and aluminum prices for domestic manufacturers would send a strong signal to other countries about its commitment to economic nationalism.

Trump also went so far as to impose tariffs on steel and aluminum imports from Canada, something that even the domestic industry and labor unions opposed. Over the last 30 years, the U.S. steel and aluminum industries had transformed to become North American industries, with raw steel and aluminum flowing freely back and forth between Canadian and U.S. plants. The same union represents workers on both sides of the border. In addition to lacking an economic rationale, targeting Canada alienated a key ally and seemed to make no political sense, either.

The administration also miscalculated the foreign blowback against the tariffs. “I don’t believe there’s any country in the world that will retaliate for the simple reason that we are the biggest and most lucrative market in the world,” Navarro, the president’s hawkish trade adviser, told Fox News in 2018, apparently unaware that other countries have trade hawks, too. Canada, China, Mexico, the European Union, and others all hit back hard, largely by slapping tariffs on U.S. agricultural exports. In effect, the administration jeopardized the welfare of 3.2 million American farmers to help 140,000 U.S. steelworkers, a remarkable move given Trump’s electoral reliance on Midwestern farm states.

If the aim was to fire a shot across the bow of U.S. trading partners, the tariffs worked. Foreign governments were suddenly on alert that the United States was willing to abandon the established norms of trade policy. The White House has insisted that “economic security is national security.” Yet defining security so broadly opens the door to unrestricted protectionism. And so when, in mid-2018, the Trump administration made yet another national security case for tariffs, this time on automobiles—imports of which dwarf those of steel and aluminum combined by a factor of seven—the fear abroad reached a new level. Although the administration recently announced that it was delaying any new auto tariffs, the threat remains. The consequences of imposing such a large tax on a major household item, in the sure knowledge that there would be swift and heavy foreign retaliation, may be staying the administration’s hand.

The president’s enthusiasm for tariff threats has even spilled over to issues beyond trade. In May, Trump suddenly demanded that Mexico stop the flow of immigrants into the United States or risk facing new, across-the-board tariffs of 25 percent. As long as Trump is in office, no

country—even one that has just negotiated a trade agreement with the United States—can be confident that it won't be a target.

### **POINTLESS RENEGOTIATIONS**

On the 2016 campaign trail, Trump complained that NAFTA was “the worst trade deal ever,” a theme he has continued in office. His advisers talked him out of simply withdrawing from the agreement, but Trump insisted on renegotiating it and proceeded to make the renegotiation process needlessly contentious. The administration made odd demands of Canada and Mexico, including that the deal should result in balanced trade and include a sunset clause that could terminate the agreement after five years, thus eliminating the benefits of reduced uncertainty.

The three countries finally reached a new agreement last September. Unimaginatively called the United States–Mexico–Canada Agreement (USMCA), it is hardly a major rewrite of NAFTA. It preserves NAFTA's requirement of duty-free access, would slightly open up Canadian dairy markets to U.S. farmers, and incorporates a host of new provisions from the TPP.

The renegotiation was in some ways an unnecessary exercise. NAFTA was a sound agreement—no one in the administration could identify what made it such a terrible deal—and many of its shortcomings had been fixed in the TPP, from which Trump withdrew the United States in 2017. But the contrast between the hostile rhetoric Trump heaped on NAFTA and the soft reality of the USMCA illuminates the president's approach to trade. Trump just doesn't like certain outcomes, including trade deficits and the loss of certain industries. But instead of addressing their underlying causes, which have little to do with specific trade agreements, he opts for managed trade, substituting government intervention for market forces, or new rules—a requirement that a greater proportion of a vehicle be made in the United States for it to enter Mexico duty free, for example—that try to force his preferred outcome. The goal is not to free up trade further but to constrain trade according to Trump's whims.

The USMCA is currently stalled in Congress, partly because the administration did not cultivate congressional support for the renegotiation in the first place. But if the USMCA ultimately dies, neither Canada nor Mexico will miss it. Both felt the need to sign the deal simply to get past the uncertainty created by Trump's threats to withdraw from NAFTA, as well as to forestall the chance that he would impose auto tariffs.

Both Japan and the EU also begrudgingly signed up for trade talks with the administration, in large part to delay Trump's auto tariffs for as long as possible. Of the two, Japan is more likely to agree to a deal—after all, it negotiated a trade agreement with the Obama administration as part of the TPP. The Europeans are less likely to do so, not only due to conflicts over agriculture but also because of Trump's unpopularity across Europe. But the Europeans hope that by agreeing to talk, they can put off Trump's auto tariffs and perhaps run out the clock on the administration.

### **YOU'RE GONNA MISS ME WHEN I'M GONE**

Acts of protectionism are acts of self-harm. But the Trump administration is also doing broader, and more permanent damage to the rules-based trading system. That system emerged from the ashes of the trade wars of the 1930s, when protectionism and economic depression fueled the rise of fascism and foreign governments made deals that cut U.S. commercial interests out of the world's leading markets. In 1947, the United States responded by leading the negotiations to create the WTO's predecessor, the General Agreement on Tariffs and Trade, which limited arbitrary government interference in trade and provided rules to manage trade conflicts. Under this system, trade barriers have gradually fallen, and growing trade has contributed to global economic prosperity.

The United States once led by example. No longer. Trump has threatened to leave the WTO, something his previous actions suggest is more than idle talk. He says the agreement is rigged against the United States. The administration denounces the WTO when the organization finds U.S. practices in violation of trade rules but largely ignores the equally many cases that it wins. Although the WTO's dispute-settlement system needs reform, it has worked well to defuse trade conflict since it was established over two decades ago.

Trump's attacks on the WTO go beyond rhetoric. The administration has blocked appointments to the WTO's Appellate Body, which issues judgments on trade disputes; by December, if nothing changes, there will be too few judges to adjudicate any new cases. When that happens, a dispute-settlement system that countries big and small, rich and poor have relied on to prevent trade skirmishes from turning into trade wars will disappear. This is more than a withdrawal of U.S. leadership. It is the destruction of a system that has worked to keep the trade peace.

That is particularly unwelcome because so much of global trade has nothing to do with the United States. The system resolves conflicts



between Colombia and Panama, Taiwan and Indonesia, Australia and the EU. Most disputes are settled without retaliation or escalation. The WTO has created a body of law that ensures more predictability in international commerce. The system it manages works to the benefit of the United States while freeing the country from having to police global commerce single-handedly.

The dispute-settlement system is not perfect. But rather than make constructive proposals for how to improve it, something Canada and others are now doing, the United States has disengaged. The Trump administration may end up destroying the old system without having drafted a blueprint for its successor.

What will come next? In the worst-case scenario, the new world trading system will be dominated by discriminatory trade blocs that raise the costs of commerce, make trade negotiations harder, and encourage retaliation. Size and economic power, not principles or rules, will determine the outcome of trade disputes. Such a system will hurt smaller, weaker countries and could push them to align with more powerful ones for self-preservation. It was precisely that trend in the 1930s that forced the United States to create the postwar trading system. And the lack of adherence to trade rules beginning in the 1970s made the United States press for the creation of a stronger, more effective dispute-settlement system in the 1990s, resulting in the WTO. For Washington to tear down the trading system it created would be a tragedy.

## **CONSCIOUS DECOUPLING**

Nowhere has the Trump administration left a greater mark on U.S. trade policy than with China. In early 2018, it released a lengthy report documenting a litany of concerns with Chinese trade practices. China had been forcing U.S. companies to form joint ventures with local firms to access its 1.4 billion consumers. These arranged marriages then allowed China to acquire U.S. technology. Sometimes companies would hand it over to grease the palms of regulators, sometimes they would license it at below commercially viable rates, and sometimes Chinese firms or spies would steal it. Combined with some of the economic concerns underlying the U.S. steel and aluminum tariffs—China's industrial subsidies, state-owned enterprises, overcapacity, and failure to more fully transform into a market economy—the list of U.S. grievances created a recipe for confrontation. The result was

tariffs, and countertariffs, on \$360 billion worth of trade between the two countries, an unprecedented figure.

Many observers assumed that the Trump administration simply wanted to get a better deal from China. But what constituted a better deal was always vague. If the primary concern was the bilateral trade deficit, China could be pressured to go on a massive spending spree, buying up U.S. soybeans and energy products. If it was intellectual property theft, China might be persuaded to change a few laws and commit to international norms.

It has become clear, however, that the administration does not want a permanent deal, or at least any deal with an explicit path forward that the Chinese government might accept. Even if Trump and Chinese President Xi Jinping come to some superficial agreement, it is unlikely to be more than a temporary truce in what is now a permanent trade war. The administration's goal seems to be nothing less than the immediate and complete transformation of the Chinese economy or bust—with bust the most likely outcome. To satisfy the United States, China would have to end forced technology transfers, stop stealing intellectual property, curtail subsidies to state-owned enterprises, abandon industrial policies designed to gain technological dominance, stop harassing foreign firms operating in China, and begin to open markets that the government deliberately closed to give control to domestic firms. In other words, the United States wants China to turn its state-dominated economic system into a market-based one overnight.

Such a change would perhaps be in China's best interest, but economic regime change is quite an ask for one country to make of another. The Communist Party leadership keeps its lock on power by maintaining control over all facets of the Chinese economy. Losing that control would jeopardize its grip on political power. No one seriously expects China's leaders to cede control of the economy simply because of U.S. threats.

The Trump administration may not even expect them to; it may have been asking all along for something that it knew China could not deliver. If so, the objective was never a comprehensive deal; it was the tariffs themselves. For one thing, if the administration had been serious about getting a deal from China, it would have maximized its leverage by bringing along Japan and the EU, both of which have similar economic concerns. Indeed, Japan and the EU have made considerable efforts to work with the administration when it comes to China. They have mostly been rebuffed.

There were hints from the beginning that the administration was never searching for a deal that would truly end the trade war. In 2017, Navarro outlined the administration's view that trade with China threatened U.S. national security. He also let slip that he wanted to rip up the supply chains that bound the United States and China together. At the time, some dismissed him as a rogue eccentric. Now, the United States is on the cusp of slapping tariffs on all imports from China—the first step toward Navarro's goal. Geopolitics has trumped economics.

This is not protectionism in the sense of trying to help a domestic industry in its struggle against imports. The goal is much broader and more significant: the economic decoupling of the United States and China. That would mark a historic fragmentation of the world economy. It would represent, in the words of former Treasury Secretary Henry Paulson, the falling of an "economic iron curtain" between the world's two largest economies. Such a separation would have foreign policy and national security implications well beyond the economic consequences.

In some respects, the rupture is already happening. Students and scientists from China are no longer as welcome in the United States as they once were. China's already meager investments in the U.S. economy are now under heightened scrutiny from national security agencies. The administration is tightening up export controls, curtailing how and with whom Americans can share their inventions, especially in cutting-edge areas such as artificial intelligence, advanced computing, and additive manufacturing. That will not stop China from gaining better technology, however; German, Japanese, and South Korean firms will simply fill the void. Going it alone will put the U.S. economy at even more of a disadvantage.

Most traditional supporters of free trade are not so naive as to believe that the United States should tolerate China's bad behavior as long as cheap goods continue to flow into the United States. China, they agree, breaks the rules. But the Trump administration's clumsy unilateral approach is not the right answer. A better response would be to identify specific instances in which China has violated international agreements and then join with trading partners and allies to file cases with the WTO. (This is not as hopeless a tactic as it might sound: China has complied with findings from the WTO surprisingly often.) Where China has not explicitly violated agreements, Washington could still sanction unfair practices, preferably together with other

countries so as to exert the maximum pressure possible, but unilaterally if that is the only feasible option.

The final plank of a sensible trade policy would be to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the revised trade deal struck by the remaining members of the TPP after the U.S. withdrawal. Joining the CPTPP would establish a large zone of trade rules favorable to the United States and unfavorable to China. That would help push China to resume its progress toward economic reform. Historians will look back on Trump's precipitous decision to quit the TPP as a major blunder.

If the Trump administration really does want to separate the U.S. and Chinese economies, the United States will have to pay an economic price. Trump denies that his strategy has costs. China, he says, is paying the tariffs. "I am very happy with over \$100 Billion a year in Tariffs filling U.S. coffers," he tweeted in May. This is nonsense: research shows that firms pass on the cost of the tariffs to American consumers. And U.S. exporters—mainly farmers facing the loss of markets due to China's retaliation—are paying the price, as well. So, too, are American taxpayers, now on the hook for tens of billions of dollars needed to bail out the reeling agricultural sector.

Whether Trump appreciates these costs isn't clear, but it's evident that economic considerations aren't driving policy. The president's willingness to look past stock market slumps and continue to push China shows that he is willing to pay an economic price—whatever he says in public. For someone whose reelection depends on maintaining a strong economy, that is a bold gamble.

## **THE DAMAGE DONE**

If Trump becomes a one-term president, the next administration will have an opportunity to reverse many of its predecessor's trade policies—eliminating the steel and aluminum tariffs, repairing relationships with the United States' NAFTA partners, joining the CPTPP, and improving the WTO. That would not only help restore U.S. credibility on the world stage but also enable other countries to lift their retaliatory duties on U.S. exports, helping suffering farmers. If Trump wins reelection and continues down the path of economic nationalism, however, the prospect of continued, and perhaps intensified, trade conflict is likely to destroy the world trading system. That would do incalculable damage to the world economy.

Although many of Trump's policies can be reversed, the tariffs on China are a game changer. Any future administration would have a difficult time removing them without sizable concessions from the Chinese leadership and some way of alleviating the heightened national security fears that now dominate the bilateral relationship. A future Democratic administration may be even more disinclined to change course. Many Democrats opposed the TPP and broadly support the president's anti-China stance. In May, Senate Minority Leader Chuck Schumer, Democrat of New York, tweeted his support for Trump on China, urging him to "Hang tough" and not to cave in to a bad deal. More than a decade ago, Schumer and his Senate colleagues supported slapping even higher tariffs on Chinese goods than the ones Trump has imposed, on the grounds that China was keeping its currency artificially low to boost exports. Concerns over human rights will also push Democrats to confront China. Although China's herding of over a million Muslim Uighurs in western China into concentration camps did not factor into the Trump administration's trade negotiations, it could loom large in those of a future administration.

The system of world trade that the United States helped establish after World War II is often described as multilateral. But it was not a global system; it originally consisted of a small number of Western, market-oriented economies and Japan and excluded the Soviet Union, its eastern European satellites, and other communist countries. That division was about more than politics. Market and nonmarket economies are in many ways incompatible. In a market economy, a firm losing money has to adjust or go bankrupt. Under state capitalism, state-owned firms get subsidies to maintain production and save jobs, forcing non-state-owned firms—at home or abroad—to make the painful adjustment instead. The Trump administration, together with China, as it retreats from pro-market reforms, may be moving the world back to the historic norm of political and economic blocs.

The fall of the Berlin Wall and the collapse of communism opened up eastern Europe and the former Soviet Union to global markets. The reforms of Deng Xiaoping did the same for China. But only in the unipolar moment, which began in 2001, when China joined the WTO, were open markets truly global. Now, the period of global capitalism may be coming to an end. What many thought was the new normal may turn out to have been a brief aberration. 🌐

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# Chained to Globalization

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## Why It's Too Late to Decouple

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*Henry Farrell and Abraham L. Newman*

JANUARY/FEBRUARY 2020

**I**n 1999, the columnist Thomas Friedman pronounced the Cold War geopolitical system dead. The world, he wrote, had “gone from a system built around walls to a system increasingly built around networks.” As businesses chased efficiency and profits, maneuvering among great powers was falling away. An era of harmony was at hand, in which states’ main worries would be how to manage market forces rather than one another.

Friedman was right that a globalized world had arrived but wrong about what that world would look like. Instead of liberating governments and businesses, globalization entangled them. As digital networks, financial flows, and supply chains stretched across the globe, states—especially the United States—started treating them as webs in which to trap one another. Today, the U.S. National Security Agency lurks at the heart of the Internet, listening in on all kinds of communications. The U.S. Department of the Treasury uses the international financial system to punish rogue states and errant financial institutions. In service of its trade war with China, Washington has tied

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**HENRY FARRELL** is Professor of Political Science and International Affairs at George Washington University.

**ABRAHAM L. NEWMAN** is a Professor at the Edmund A. Walsh School of Foreign Service and in the Department of Government at Georgetown University.

down massive firms and entire national economies by targeting vulnerable points in global supply chains. Other countries are in on the game, too: Japan has used its control over key industrial chemicals to hold South Korea's electronics industry for ransom, and Beijing might eventually be able to infiltrate the world's 5G communications system through its access to the Chinese telecommunications giant Huawei.

Globalization, in short, has proved to be not a force for liberation but a new source of vulnerability, competition, and control; networks have proved to be less paths to freedom than new sets of chains. Governments and societies, however, have come to understand this reality far too late to reverse it. In the past few years, Beijing and Washington have been just the most visible examples of governments recognizing how many dangers come with interdependence and frantically trying to do something about it. But the economies of countries such as China and the United States are too deeply entwined to be separated—or “decoupled”—without causing chaos. States have little or no ability to become economically self-reliant. Hawks in Beijing and Washington may talk about a new Cold War, but there is today no way to split the world into competing blocs. Countries will remain entangled with one another, despite the dangers that their ties produce—bringing a new era of what might be called “chained globalization.” Under chained globalization, states will be bound together by interdependence that will tempt them to strangle their competitors through economic coercion and espionage, even as they try to fight off their rivals' attempts to do the same.

In some ways, chained globalization makes the Cold War seem simple. The economies of the Western and Soviet camps shared few points of contact and thus offered few opportunities for economic coercion (and policymakers on both sides came to understand the existential danger of nuclear weapons and developed strategies for limiting it). The situation today is far messier. The world's powers are enmeshed in financial, trade, and information networks that they do not fully understand, raising the risk of blunders that could set off dangerous conflicts.

Accepting and understanding the reality of chained globalization must be the first step toward limiting those risks. Policymakers cannot cling to fantasies of either decoupled isolation or benign integration. Like it or not, the United States is bound to its competitors. Since it cannot break those bonds, it must learn to master them.

## **BOTTLENECKS AND BLOCKAGES**

For decades, commentators understood globalization as a natural extension of market freedoms. To the extent that international economic networks would lead to disagreements, the thinking ran, those squabbles would lie largely between the groups that benefited from open markets and those that opposed them. But that line of thinking missed the fact that globalization itself would also allow for a new kind of conflict. As the world's economic and information networks expanded, many of them coalesced around single points of control, and some states learned to wield those hubs as weapons against their competitors.

Among the first networks to undergo such a transformation was the system underpinning international financial transactions. In the 1970s, the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network made it easier to route transactions through banks around the world, and the dollar clearing system allowed those banks to reconcile torrents of payments denominated in U.S. dollars. Once both banks and individuals had accepted this new messaging system, international exchanges became even more dependent on a single currency—the U.S. dollar—granting Washington additional leverage over the global financial system. International supply chains were next. In the 1980s and 1990s, electronics manufacturers began to outsource production to specialized firms such as Foxconn, creating supply chains with tens or even hundreds of suppliers. Then, in the first decade of this century, cloud computing began to centralize key functions of the Internet in systems maintained by a few large firms, such as Amazon and Microsoft. In each case, money, goods, and information passed through essential economic hubs. A few privileged powers ruled over those hubs, gaining the chance to exclude others or to spy on them.

The United States saw those opportunities before most other countries did, thanks to the fact that so many networks lay within its reach. Since the attacks of September 11, 2001, the Treasury Department has used the world's reliance on the U.S. dollar to turn the global financial system into a machinery of control, freezing out rogue actors such as al Qaeda and North Korea and using the threat of sanctions to terrify banks into advancing its goals. The National Security Agency has transformed the Internet into an apparatus of global surveillance by tapping into the networks of telecommunications providers such as AT&T and Verizon and running clandestine programs that can identify communications chokepoints and exploit them against both adversaries and allies.



Until recently, other states struggled to keep up. China, a latecomer to the globalized economy, could respond to perceived slights only by locking transgressors out of its valuable domestic market. And although the European Union played a significant role in global economic networks, it lacked the kind of centralized institutions, such as the U.S. Treasury Department's Office of Foreign Assets Control, that Washington had been able to convert into instruments of power.

Driven by both fear and opportunism, however, China is now insulating itself from networked attacks and building networks of its own to turn against its rivals. Take Huawei, which seeks to build the world's 5G communications network with the tacit support of Beijing. If Huawei comes to dominate global 5G, the Chinese government could exploit its access to the firm to tap into communications around the world, using its new powers over the network against its rivals. Or to put it another way: China could do to the United States what the United States has already been doing to China.

That explains why Washington has worked so hard to frustrate Huawei's ambitions. The Trump administration has barred Huawei from U.S. markets, lobbied U.S. allies to shun the company's 5G infrastructure, and forbidden U.S. companies from selling to Huawei the sophisticated semiconductors that it cannot easily acquire elsewhere. The Chinese government has responded to those moves by threatening to blacklist U.S. firms such as FedEx and companies based in countries allied with Washington, such as the British bank HSBC. Even if the Trump administration eases up on Huawei as part of a trade deal with Beijing, a bipartisan coalition in Congress will likely try to undermine those concessions.

Europe has also been drawn into a fight over networks, in part as a result of the United States' campaign against Iran. Ever since 2018, when the United States pulled out of the international agreement limiting Iran's nuclear activities, it has used its control of the dollar clearing system to limit Iran's access to global financial resources and has threatened to sanction European firms that do business with Iran.

European governments worry that such measures are a prelude to a wider campaign of U.S. coercion. After all, the economic cost that isolating Iran imposes on European countries pales in comparison to the damage that would follow if the United States used similar tactics to force them to decouple from Russia, by, for example, making it harder for them to obtain Russian natural gas and other raw materials.

Some European policymakers are thinking about how to play defense. One option would be to turn the United States' economic ties with Europe against it by withdrawing U.S. companies' rights to operate in the EU if they comply with U.S. sanctions that harm EU members.

Smaller powers are also joining the fray. Japan, incensed by rulings from South Korean courts that have criticized Japanese companies for their use of forced labor during World War II, threatened in July to strangle the South Korean technology industry by restricting Japanese exports of the specialized chemicals on which major South Korean firms, such as Samsung, rely. South Korea responded by threatening to stop exporting the heating oil that Japanese homes and businesses count on each winter. The dispute has highlighted the power states can wield when they target a crucial link in transnational supply chains.

### **CHAIN REACTIONS**

In this landscape, blunders could set off escalatory spirals, and mutual suspicion could engender hostility. By targeting a firm with an unexpectedly crucial role in a broader industrial network, for instance, a government could mistakenly generate widespread economic damage—and trigger retaliation from other states in turn. As global networks grow thanks to developments such as the so-called Internet of Things, such dangers will grow, as well.

Accordingly, it is not surprising that countries want to free themselves from chained globalization by smashing its links. U.S. commentators speak of a great decoupling from the Chinese economy, only vaguely understanding what such a rupture might involve. China, for its part, is pouring resources into an indigenous semiconductor industry that would protect it from U.S. threats. South Korea has sought to build up its own chemical sector in order to lessen its dependence on Japan. Russia, meanwhile, has embarked on a quixotic project to create what it calls a “sovereign Internet”: one that could prevent perceived foreign meddling and let Moscow monitor the communications of its own citizens.

In a few areas, some degree of insulation might be possible. When it comes to defense procurement, for example, countries can increase their autonomy by rerouting parts of their supply chains to minimize the risks of spying and sabotage. The United States has already made changes to limit the ability of China to compromise its military technology; among other things, it has identified companies with connec-

tions to the People's Liberation Army and cut them out of its military's supply chains. Other countries will surely follow suit.

Except in the case of total war, however, governments will find it impossible to re-create the separate national economies that prevailed before the advent of globalization. After all, today's states do not simply make use of worldwide financial systems, manufacturing supply chains, and information networks: they rely on them. Washington may be able to reshape its military procurement, but it would set off massive resistance and economic chaos if it tried to remake the consumer economy along similar lines, since that would overturn entire industries and vastly increase prices for ordinary people.

### **THE TIES THAT BIND**

Instead of withdrawing from global networks, the United States must learn to live with them. Doing so will give the United States new powers and generate enormous vulnerabilities, and policymakers will need to carefully manage both. U.S. officials must remember that willfully trapping its rivals in U.S.-dominated financial and information systems could provoke a backlash, encouraging other states to enmesh the United States in nets of their own—or encouraging them to slip out of the country's grasp for good.

Washington also has to worry about other kinds of unintended consequences. For example, in April 2018, when the Treasury Department announced that it would impose sanctions on the Russian oligarch Oleg Deripaska and his vast aluminum empire, it apparently failed to realize that doing so would produce chaos in the car and airplane manufacturing supply chains that relied on products made by Deripaska's businesses. (After lobbying by European companies and governments, the Trump administration delayed enforcement of the sanctions and then unwound them entirely.) As less savvy governments seek to bend networks to their own ends, the risks of such blunders will grow.

To avoid such problems, policymakers need to understand not just how the world's networks function but also how each of them connects to the others. And because government agencies, international organizations, and businesses have only incomplete, scattered maps of those relationships, Washington must do the hard work itself. That will require making massive investments in parts of the federal bureaucracy that have withered in recent decades, as neoliberal, pro-market views took hold and regulation and oversight fell out of favor.

The government's broad goal should be to break down the traditional barriers between economic and security concerns. The Commerce Department could be expanded to deal with security issues, for instance, or the Pentagon could take a newfound interest in the private sector outside the defense industry. Congress, for its part, could reestablish its Office of Technology Assessment, which was shut down as a result of partisan disputes in the 1990s, to study emerging technologies and how to manage them. Finally, the government should establish specialized agencies to study threats related to specific networks, such as global supply chains, drawing on information from across the government and the private sector. In the U.S. Cybersecurity and Infrastructure Security Agency, policymakers have a valuable model.

Next, regulators will have to intervene in the economy more deeply than they have in decades. Washington has already taken a useful step in this direction through its reforms to the process run by the Committee on Foreign Investment in the United States, or CFIUS, which examines the security implications of foreign capital flows entering the United States. In 2018, Congress passed bipartisan legislation calling for the Department of Commerce to reevaluate the licensing requirements for firms working in a variety of high-tech fields, including artificial intelligence and machine learning. Congress has also pushed the Trump administration to revive a long-dormant law requiring U.S. officials to identify Chinese military companies and groups operating in the United States. Other governments are following Washington's lead. The EU is rolling out its own process to scrutinize foreign investments, and some EU officials are debating whether to impose restrictions on the bloc's ties with China in sensitive areas, such as defense technology, energy infrastructure, media, and telecommunications.

But scrutinizing foreign investments is not enough. U.S. regulators should also seek to protect sensitive domestic markets from foreign exploitation. In some sectors, Washington will need to restrict access to trusted groups. Policymakers could make it harder for U.S. adversaries to use social media to undermine the country's political system by, for instance, banning on those platforms political advertisements that target narrow demographic groups. In other cases, the government may need to go further. By building redundancies at key points in the country's critical infrastructure—such as its telecommunications, electricity, and water systems—policymakers could help those networks survive outside attacks.

Finally, governments need to learn to talk to one another in new ways. During the Cold War, the Soviet Union and the United States established a shared vocabulary to avoid crises, drawing on the work of scholars in a variety of fields who had developed concepts such as mutual assured destruction and second-strike deterrence. Today, China, the United States, the EU, and other powers need to do something similar. Academics can play an important role in building that new vocabulary, much as they did during the Cold War. But they can do so only if they break out of the confines of their disciplines by homing in on the intersections of economic and security concerns and by working with the specialists who understand the technical underpinnings of global networks. Most national security experts know little about the infrastructure that supports the Internet. If they worked with engineers to understand those systems, protecting them would be easier.

### **EASING THE TENSIONS**

A common language should be a first step toward common rules. Developing such rules of the road won't be easy, since networked conflict and its consequences are messy and unpredictable. And whereas the tacit rules of the Cold War were developed mostly by politicians, military leaders, and nuclear physicists, their twenty-first-century equivalents will necessarily involve the participation of a broader and more quarrelsome set of communities, including not just state officials but also businesses and nongovernmental organizations.

Governments should tread carefully around others' network hubs, such as the SWIFT system or the essential focal points of the world's telecommunications architecture. Much like nuclear command-and-control systems, those hubs let the states that control them exercise enormous offensive and defensive power. That is why China's efforts to use Huawei to topple the United States' control over global telecommunications are so provocative.

For its part, the United States needs to recognize that its attempts to weaponize the world's financial and information networks threaten others and moderate its behavior accordingly. Restraint will not just encourage stability; it will also serve the country's own narrow interests. U.S. policymakers should remember that their punitive measures can encourage states to defect to networks beyond Washington's control, stripping the United States of important sources of leverage.

Take President Donald Trump's October 2019 threat to "destroy

Turkey's economy" through financial sanctions and tariffs if Turkish forces overstepped in some unspecified way in their invasion of northeastern Syria. At the time, Turkey had already begun to lay the groundwork to insulate some of its international financial transactions from the U.S. dollar and the dollar clearing system by embracing Russia's alternatives to the SWIFT system. Even though Trump's threat was quickly withdrawn, it surely unsettled Turkish leaders, who feared that Congress might press for more substantial and long-lasting sanctions. And although Turkey or other midsize powers will probably not cut themselves off from the U.S.-dominated financial system, they certainly could persuade their banks to make greater use of networks that are beyond Washington's grasp. The United States should not use such tactics against China, Russia, or other major powers except under extraordinary circumstances, since those countries might respond to economically crippling attacks not just with economic measures but also with military force.

States should work to make their decisions transparent and predictable. Today, as in the nuclear era, mixed signals could lead to catastrophic consequences. The United States' recent inability to decide whether its sanctions against Iran were meant to change that country's behavior or its regime may have empowered Iranian radicals who were eager to retaliate by threatening regional shipping lanes and U.S. allies. To reduce the chances of mistaken escalations, the United States and other powers should use rules-based structures akin to CFIUS to decide when to take offensive and defensive steps, and they should broadcast those choices clearly.

The United States must also avoid overreacting to other countries' efforts to make themselves less vulnerable to chained globalization: China's investments in its semiconductor sector, Russia's development of alternatives to global financial networks, EU members' efforts to insulate their firms from U.S. overreach. Just as it did after other countries acquired nuclear weapons without that leading to war, Washington must now recognize that it can benefit when other states take steps to feel secure.

The broader lesson of the nuclear era is that existential dangers do not have to be paralyzing. Indeed, careful planning can help the United States manage the risks of chained globalization, even as Washington reaps its benefits. Failing to do so would plunge the United States into a more dangerous world, one in which the ties of economic interdependence do not just constrain U.S. interests—they choke them. 🌐

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# How to Make Trade Work for Workers

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## Charting a Path Between Protectionism and Globalism

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*Robert E. Lighthizer*

JULY/AUGUST 2020

**T**he new coronavirus has challenged many long-held assumptions. In the coming months and years, the United States will need to reexamine conventional wisdom in business, medicine, technology, risk management, and many other fields. This should also be a moment for renewed discussions—and, hopefully, a stronger national consensus—about the future of U.S. trade policy.

That debate should start with a fundamental question: What should the objective of trade policy be? Some view trade through the lens of foreign policy, arguing that tariffs should be lowered or raised in order to achieve geopolitical goals. Others view trade strictly through the lens of economic efficiency, contending that the sole objective of trade policy should be to maximize overall output. But what most Americans want is something else: a trade policy that supports the kind of society they want to live in. To that end, the right policy is one that makes it possible for most citizens, including those without college educations, to access the middle class through stable, well-paying jobs.

That is precisely the approach the Trump administration is taking. It has broken with the orthodoxies of free-trade religion at times, but contrary to what critics have charged, it has not embraced protectionism

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**ROBERT E. LIGHTHIZER** is U.S. Trade Representative.

and autarky. Instead, it has sought to balance the benefits of trade liberalization with policies that prioritize the dignity of work.

Under this new policy, the Office of the U.S. Trade Representative, which I head, has taken aggressive and, at times, controversial actions to protect American jobs. But it has done so without sparking unsustainable trade wars and while continuing to expand U.S. exporters' access to foreign markets. The U.S.-Mexico-Canada Agreement (USMCA), which was first signed in 2018 and is scheduled to enter into force this year, offers the best and most comprehensive illustration of this new approach. This new way of thinking has motivated the administration's policies toward China and the World Trade Organization (WTO), as well. In addressing the challenges that remain, the administration has the same goal: a balanced, worker-focused trade policy that achieves a broad, bipartisan consensus and better outcomes for Americans.

### **THE LIMITS OF INTERDEPENDENCE**

Before World War II, tariffs were high by contemporary standards. From the 1820s until the late 1940s, the weighted average U.S. tariff (which measures duties collected as a percentage of total imports) rarely dipped below 20 percent. President Franklin Roosevelt and the New Deal Congress ushered in a period of relative tariff liberalization in the 1930s, but the rate remained in the mid- to high teens throughout the decade. After the war, however, both Democrats and Republicans came to champion tariff reduction as a means of preventing yet another conflict, arguing that trade fostered interdependence between nations. Trade liberalization therefore came to be seen not just as a tool of economic policy but also as a path to perpetual peace.

Subsequent events seemed to vindicate this view. Exports to U.S. consumers helped Japan and West Germany rebuild and become responsible members of the world community. The tearing down of trade barriers within Europe, starting with the establishment of the European Coal and Steel Community in 1951, surely contributed to postwar security, as well, by bringing the democracies of Western Europe closer together and setting a template for future cooperation.

But interdependence does not always lead to peace. In the United States, economic ties between the North and the South did not prevent the Civil War. Global trade grew rapidly in the years right before World War I; exports as a percentage of global GDP peaked at nearly 14 percent in 1913, a record that would hold until the 1970s. Likewise,



it would be hard to argue that the rise of Germany as a major exporter in the late nineteenth century helped pacify that country in the first half of the twentieth. Japan's dependence on raw materials from the United States motivated its attack on Pearl Harbor. More recently, China's accession to the WTO in 2001—which was supposed to make the country a model global citizen—was followed by massive investments in its military capabilities and territorial expansion in the South China Sea.

On the flip side, conflict over trade is not always destabilizing or a threat to broader foreign policy objectives. The NATO alliance survived the tariff hikes associated with both the 1960s “chicken war,” when the United States clashed with France and West Germany over poultry duties, and the 1970s “Nixon shock,” when the United States effectively abandoned the Bretton Woods system. The United States and Japan fought about trade in the 1980s, but their bilateral security alliance stayed strong. Countries, like people, compartmentalize.

There may be situations when it is appropriate to make concessions on trade in order to achieve broader diplomatic aims, but one should keep in mind that such bargains can prove costly in the long run. Letting India join the General Agreement on Tariffs and Trade (the precursor to the WTO) in 1948 with nearly a third of its industrial tariffs uncapped, for example, no doubt made sense to Cold Warriors, who thought that it would help bring India into the U.S. camp. Yet the negative repercussions of that decision persist to this day, now that India has become one of the world's largest economies and, at times, a troublesome trading partner for the United States. Over the years, such concessions have piled up.

Sometimes, the tendency to view trade through the lens of diplomacy has led to excess timidity. The most vivid example is the failure of the George W. Bush and Obama administrations to meaningfully confront China's market-distorting subsidies and policy of forcing foreign companies to share their technology. But there are many others. For instance, until the current administration took office, the United States had never invoked the procedures for enforcing environmental commitments it had bargained for in its free-trade agreements. The Trump administration has used those tools to crack down on illegal timber harvesting in Peru and illegal fishing in South Korea.

Although the United States should not wield its economic leverage blithely, fear of rocking the diplomatic boat cannot be an excuse for

inaction. The Trump administration has demonstrated that it is possible to take targeted yet aggressive trade actions while managing the risk of escalation. Despite the “sky is falling” rhetoric that has greeted many of the administration’s policies, the United States has remained the most open of the world’s major economies throughout Donald Trump’s presidency. Even with the recent tariffs imposed against China, along with efforts to rescue the domestic steel, aluminum, and solar power industries, the United States’ weighted average tariff was only 2.85 percent in 2019 (and 1.3 percent for imports from countries other than China). That’s slightly higher than the 1.5 percent rate that prevailed during the last year of the Obama administration but still lower than a comparable figure for the EU: the 3.0 percent weighted average rate it imposes on imports from other WTO members.

History will judge the ultimate effectiveness of the Trump administration’s targeted duties. But experience has already proved wrong the Cassandras who said that its actions would inevitably lead to a 1930s-style trade war.

## **THE EFFICIENCY OBSESSION**

The other dominant school of thought in trade policy is the economist’s perspective. For adherents of this faith, the sole objective of trade policy is market efficiency. Lower tariffs and nontariff barriers reduce the costs of producing and distributing goods and services; that, in turn, makes society as a whole better off—so the argument goes. How such policies affect the men and women who do the producing and distributing is of little or no consequence.

Rather than envisioning the type of society desired and fashioning a trade policy to fit, economists tend to do the opposite: they start from the proposition that free trade should reign and then argue that society should adapt. Most acknowledge that lowering trade barriers causes economic disruption, but very few suggest that the rules of trade should be calibrated to help society better manage those effects. On the right, libertarians deny that there is a problem, because the benefits of cheap consumer goods for the masses supposedly outweigh the costs. On the left, progressives promote trade adjustment assistance and other wealth-transfer schemes as a means of smoothing globalization’s rough edges.

Neither response is satisfactory. Those obsessed with efficiency tend to see employment simply as a means of allocating resources and ensuring production. In so doing, they greatly undervalue the personal

dignity that individuals derive from meaningful work. Commentators from Pope Leo XIII in the nineteenth century to Arthur Brooks and Oren Cass today have written eloquently about the central role of work in a well-ordered society. Doing honest work for a decent wage instills feelings of self-worth that come from being needed and contributing to society. Stable, remunerative employment reinforces good habits and discourages bad ones. That makes human beings better spouses, parents, neighbors, and citizens. By contrast, the loss of personal dignity that comes from the absence of stable, well-paying employment is not something that can be compensated for either by increased consumption of low-cost imported goods or by welfare checks.

None of this is to suggest that market efficiency should be irrelevant. But it should not be the sole factor in trade policy, and certainly not an object of idolatrous devotion, as some have made it. When it comes to taxes, health care, environmental regulation, and other issues, policymakers routinely balance efficiency with other competing goals. They should do the same for trade.

In recent years, however, the fixation on efficiency caused many to ignore the downsides of trade liberalization. Particularly as elites came to accept free trade as an article of faith, businesses found that they could send jobs abroad without attracting much negative publicity. General Electric's hard-charging CEO from 1981 to 2001, the late Jack Welch, told suppliers at one point that his company would stop doing business with them if they weren't outsourcing jobs. "Supply chain relocation" became a cure-all peddled by management consulting firms. Unfortunately—as COVID-19 has made painfully apparent—many companies caught up in the outsourcing frenzy failed to appreciate the risks.

Economic groupthink also led policymakers to stop worrying about trade deficits. In recent years, the U.S. trade deficit in goods has rivaled the size of many G-20 economies. In theory, if the United States could produce enough goods domestically to eliminate its \$345 billion goods deficit with China, that would be the equivalent in revenue terms of adding two and a half more General Motors to the U.S. economy. Yet in most policy circles, discussion of the trade deficit has been limited to why it supposedly doesn't matter.

Many take comfort in the following trope: "I run a trade deficit with my barber; since both of us are better off as a result, trade deficits are benign." This analogy is flawed. A deficit with the barber is

one thing, but if I run a deficit with the barber, the butcher, the baker, the candlestick maker, and everyone else with whom I transact, the situation is altogether different. Moreover, long-term trade deficits must be financed through asset sales, which can prove unsustainable over time. To carry the analogy further, the trade deficit I run with providers of goods and services I consume is benign if it is offset by the surplus I run with my employer through the sale of my labor. But the situation may prove unsustainable if I'm funding my consumption by taking out a second mortgage on my home. And that is essentially what the United States has been doing over the past three decades by running a trade deficit year after year. These persistent deficits are financed by net inflows of capital—which means that every year, the country must sell U.S. assets to foreign investors in order to sustain the gap between exports and imports.

Academic theory also cannot hide the basic fact that if a country imports goods it could produce domestically, then domestic spending is employing people abroad rather than at home. This tradeoff might be worth it if it frees up workers to move to more productive, higher-paying jobs. It might make sense, too, if reciprocal agreements for market access create new export-related jobs that replace those lost to competition from cheaper imports. But persistent trade deficits should, at the very least, cause policymakers to question the tradeoff and inquire as to the reasons behind the imbalance. Such scrutiny should increase with the size of the deficit. And particularly when trade deficits are the result of currency manipulation, a lack of reciprocity in market access, unfair labor practices, or subsidies, the United States should try to change the rules of trade.

### **THE DARK SIDE OF FREE TRADE**

The trade policy of the future should be informed by a balanced assessment of the past. On the positive side of the ledger, lower trade barriers and the proliferation of free-trade agreements in recent decades swelled the profits of many multinational corporations. That benefited not only CEOs but also middle-class Americans who hold equities in their retirement accounts. Trade helped revive many of the country's great urban centers. Cheap imports and the rise of big-box and online retailers have made an ever-expanding class of consumer goods available to the masses. In China, India, and throughout the rest of the developing world, millions of people have been lifted out of poverty.

Yet the dark side is undeniable. Between 2000 and 2016, the United States lost nearly five million manufacturing jobs. Median household income stagnated. And in places prosperity left behind, the fabric of society frayed. Since the mid-1990s, the United States has faced an epidemic of what the economists Anne Case and Angus Deaton have termed “deaths of despair.” They have found that among white middle-aged adults who lack a college education—a demographic that has borne much of the brunt of outsourcing—deaths from cirrhosis of the liver increased by 50 percent between 1999 and 2013, suicides increased by 78 percent, and drug and alcohol overdoses increased by 323 percent. From 2014 to 2017, the increase in deaths of despair led to the first decrease in life expectancy in the United States over a three-year period since the 1918 flu pandemic.

Trade has not been the sole cause of the recent loss of manufacturing jobs or of the attendant societal distress. Automation, productivity gains, foreign currency manipulation, and the financial crisis of 2008 have played key roles, as well. But it cannot be denied that the outsourcing of jobs from high- to low-wage places has devastated communities in the American Rust Belt and elsewhere.

Of course, economic upheaval is often the price of progress, and, economists insist, comparative advantage should encourage workers to move to more productive and higher-paying jobs. But this theoretical phenomenon has failed to materialize in recent years. Compared with those who lost their jobs in earlier periods of economic change, displaced workers in modern, developed economies typically have fewer and less attractive options. In the United Kingdom in the nineteenth century, for example, the repeal of the protectionist Corn Laws prompted agricultural workers to flee the countryside for industrializing urban areas where factory jobs were waiting. By contrast, the American factory workers who were displaced beginning in the 1990s either had nowhere to go or ended up working in low-skill, low-paying service jobs.

Rather than attempt to reverse these trends, some argue that mature economies should double down on services, the digital economy, and research and development. These sectors contribute greatly to the United States’ competitive edge, and the service sector employs most Americans today and will likely continue to do so for the foreseeable future. At the same time, however, it is difficult to imagine that the U.S. economy can serve the needs of working people without a thriving manufacturing sector.

The technology sector, for all its virtues, simply is not a source of high-paying jobs for working people. Over half of the United States' roughly 250 million adults lack a college diploma. Historically, manufacturing jobs have been the best source of stable, well-paying employment for this cohort. Perhaps with massive new investments in education, former autoworkers could be taught to code. But even so, there probably wouldn't be enough jobs to employ them all. Apple, Facebook, Google, and Netflix collectively employ just over 300,000 people—less than half the number that General Motors alone employed in the 1960s.

Moreover, the service and technology jobs most accessible to working people, such as data entry and call center jobs, are themselves vulnerable to offshoring. Economists have estimated that nearly 40 million service-sector jobs in the United States could eventually be sent overseas—that's more than three times the number of current manufacturing jobs in the country.

Cheerleaders for globalization are quick to point out that many products manufactured abroad were designed by engineers and researchers located in the United States. But those jobs are not safe from offshoring, either. China is investing heavily in its universities, and India has no shortage of capable engineers. In the technology sector, in particular, there are valuable synergies from having engineers located close to manufacturing facilities. The back of today's iPhone reads "Designed by Apple in California. Assembled in China"; tomorrow, it easily could read "Designed and Assembled by Apple in China."

COVID-19 has exposed other problems with the erosion of the United States' manufacturing capacity. The country has found itself overly dependent on critical medical equipment, personal protective gear, and pharmaceuticals from abroad. Even Germany and South Korea, strong U.S. allies, have blocked exports of key medical products as their own citizens have fallen ill. The crisis also has demonstrated how overextended supply chains increase the risk of economic contagion when a single link in the chain is broken. Even before the crisis reached American shores, many U.S. companies were feeling the effects of China's economic shutdown. Now, as companies prepare to reopen their U.S. operations, many still can't produce what they want, since their overseas suppliers do not yet have government permission to reopen.

The United States should not attempt to wall itself off from the rest of the world in response to the current pandemic, but it should rein-

force its determination to maintain and grow its manufacturing base. Trade policy alone cannot do that. But as part of a broader suite of tax and regulatory policies designed to encourage investment in the United States, reforms to the rules of trade can play an important role.

### **A MODEL DEAL**

A sensible trade policy strikes a balance among economic security, economic efficiency, and the needs of working people. When the administration began the task of renegotiating the North American Free Trade Agreement—one of the president’s signature campaign promises—two things were clear. One was that the agreement had become wildly out of balance, badly out of date, and hugely unpopular. The second, however, was that undoing 25 years of economic integration in North America would be costly and disruptive. The challenge in negotiating the USMCA was to right NAFTA’s wrongs while preserving trade with the United States’ two largest trading partners.

We started by identifying the main imbalances, particularly in the automotive sector, which accounts for nearly 30 percent of North American trade. Before Trump was elected, nine of the last 11 auto plants built in North America were built in Mexico. Yet 80 percent of the cars manufactured in those facilities are sold in the United States. Over time, auto companies started to use Mexico as a place not only for assembling compact sedans but also for manufacturing high-value-added parts such as engines and transmissions, as well as for producing highly profitable trucks and SUVs. The net result was that the United States lost a third of its auto-industry jobs to Mexico: 350,000 since 1994, while Mexico gained 430,000.

This wage-driven outsourcing was not simply the work of Adam Smith’s invisible hand. The gap between U.S. and Mexican wages exists in part as a result of widespread corrupt labor agreements in Mexico. “Protection contracts,” as these deals are known, are struck between employers and unions, but the unions do not in fact represent workers. And the workers have no opportunity to vote on the contracts. No wonder predictions that NAFTA would cause American and Mexican wages to converge never came true. In fact, wages in Mexico are lower today in real terms than they were in 1994.

The USMCA requires Mexico to eliminate protection contracts, ensure basic union democracy, and establish independent labor courts. Rather than seek to micromanage labor policies in Mexico— as critics

have charged—the USMCA sets reasonable standards that correct a major source of labor-market distortion in North America. Although the new labor provisions received a chilly reception by some parts of the Mexican business community, they were warmly embraced by President Andrés Manuel López Obrador and his government. The new obligations will not prevent companies from taking advantage of efficiencies in integrated North American supply chains. But they will eliminate a form of regulatory arbitrage that hurts American workers.

The USMCA also overhauls the “rules of origin” that govern trade in the automotive sector. All free-trade agreements contain rules of origin, which require goods to be made mostly with component materials sourced from within the free-trade area in order to qualify for duty-free treatment. In theory, NAFTA’s rules of origin specified that 62.5 percent of the value of an automobile had to be made up of parts manufactured in North America. But the rules contained a peculiar quirk: the only parts that counted in the equation were those listed on a schedule created in the early 1990s and frozen in time. As cars evolved, many expensive parts, such as dashboard electronics and navigation systems, simply didn’t figure in the calculation of North American content. As a result, cars with more than half of their value composed of parts from outside the continent could still be exempt from duties. And the problem was only going to get worse over time, as electric and autonomous vehicles came online.

After discussions with the Canadian and Mexican governments, American labor unions, and the auto companies themselves, we arrived at a solution that will result in more investment throughout the region while still allowing manufacturers the flexibility to stay competitive. The USMCA sets a higher threshold for the minimum fraction of a car’s value that must be produced within North America (75 percent). It also includes separate requirements for the minimum share of regional content in the highest-value-added parts, as well as for steel and aluminum. The USMCA makes these requirements meaningful by eliminating loopholes, and it includes a mechanism for revisiting the rules of origin in the future to keep up with industry trends.

For the first time in any trade agreement, the USMCA also includes provisions that discourage a race to the bottom in wages, by requiring that 40 percent of the value of a car and 45 percent of the value of a light truck be manufactured by workers who make at least \$16 per hour. This rate is aspirational for Mexico, where wages are closer to



\$3 per hour, but it will create new incentives for companies to invest not only in Mexico but also in Canada and the United States. The U.S. International Trade Commission, an independent, nonpartisan federal agency, projects that increased demand for U.S.-sourced engines and transmissions alone will create roughly 30,000 new automotive-sector jobs. By my office's estimates, the effect on the entire supply chain will be close to 80,000 new jobs.

Critics have labeled these changes “managed trade,” whereby governments set specific goals in lieu of letting market forces do their work. But rules of origin feature in all free-trade agreements. The key difference between those in the USMCA and those in NAFTA and other agreements is that the USMCA's rules have been designed to actually work. They will ensure that the benefits of the agreement will flow principally to Canada, Mexico, and the United States, not to other countries that have not provided reciprocal market access. Indeed, NAFTA-enabled free-riding has long undermined U.S. leverage in negotiations with other trading partners. Until now, foreign auto-makers have been able to obtain duty-free access to the U.S. market by setting up assembly operations in Mexico, while manufacturing most of the high-value parts outside North America. With the loopholes closed, the United States will be in a stronger position to negotiate with China, the EU, and others.

The USMCA can be updated as circumstances change. It contains a sunset clause stating that it expires after 16 years. Every six years, however, the parties will have an opportunity to review the agreement and extend it for another 16 years. These periodic reviews will force policymakers in all three countries to avoid the temptation to defer maintenance of the agreement and will allow them to respond to unanticipated developments in their economies.

## **THE CHALLENGES AHEAD**

The principles of a worker-focused trade policy should be front and center as the United States confronts two of the most significant trade challenges it will face in the coming years: market-distorting state capitalism in China and a dysfunctional WTO.

No trade policy decision since the end of World War II proved more devastating to working people than the extension of permanent normal trade relations to China in 2000—a legal status entitling it to the lowest possible tariffs. Despite President Bill Clinton's prediction that

the move would allow the United States to “export products without exporting jobs,” the opposite occurred. The U.S. trade deficit with China ballooned to over half a trillion dollars at its peak, and economists have calculated that the loss of at least two million jobs between 1999 and 2011 was attributable to the influx of Chinese imports. At the same time, Beijing increasingly forced foreign companies to share their technology, a policy that resulted in the theft of billions of dollars in U.S. intellectual property and helped China become the world’s top exporter of high-tech products.

Without much success, the George W. Bush and Obama administrations tried to correct these problems at the WTO. Our team has taken a different approach. We spent much of the first year of the Trump administration investigating China’s history of intellectual property theft and forced technology transfer. Where the WTO rules provided a remedy—as was the case with China’s discriminatory patent-licensing practices—we filed a complaint with the WTO. But where they did not, we turned to remedies available under U.S. trade law. We carefully identified products produced by Chinese companies that had benefited from China’s market-distorting practices and imposed a 25 percent duty on those products.

We remained open to a negotiated solution, however, and in January, the administration reached a Phase 1 agreement with China under which it will stop forced technology transfer, refrain from manipulating its currency, strengthen protections for intellectual property, and eliminate a host of nontariff barriers to U.S. exports. For the first time, these commitments are in writing and enforceable through a dispute-resolution mechanism. The agreement by no means resolves all the outstanding issues, but in roughly three years, we’ve made more progress than the previous two administrations made in 16.

Most important—and often overlooked by knee-jerk, partisan critics of the deal—is that the administration has maintained pressure on China through a 25 percent tariff that remains on half of its exports to the United States, including nearly all high-tech products. These duties help offset the unfair advantage China has obtained through forced technology transfer and market-distorting subsidies. At the same time, China has made a series of purchasing commitments that will create long-term market access for U.S. exporters, particularly farmers. Whether there will be a Phase 2 depends on whether China complies with the terms of Phase 1 and whether it is willing to fun-

damentally change its model of state-run capitalism. Regardless, the policy in place today protects American jobs, blunts China's unfair advantages, and minimizes the pain to U.S. exporters and consumers.

The challenges in the WTO are also vexing. Like many international organizations, the WTO has strayed from its original mission. Designed as a forum for negotiating trade rules, it has become chiefly a litigation society. Until recently, the organization's dispute-resolution process was led by its seven-member Appellate Body, which had come to see itself as the promulgator of a new common law of free trade, one that was largely untethered from the actual rules agreed to by the WTO's members. The Appellate Body routinely issued rulings that made it harder for states to combat unfair trade practices and safeguard jobs. This was one of the reasons why the Trump administration refused to consent to new appointments to it, and on December 11, 2019, the Appellate Body ceased functioning when its membership dipped below the number needed to hear a case.

The United States should not agree to any mechanism that would revive or replace the Appellate Body until it is clear that the WTO's dispute-resolution process can ensure members' flexibility to pursue a balanced, worker-focused trade policy. Until then, the United States is better off resolving disputes with trading partners through negotiations—as it did from 1947, when the General Agreement on Tariffs and Trade was signed, until 1994, when the WTO was created—rather than under a made-up jurisprudence that undermines U.S. sovereignty and threatens American jobs.

In confronting these and other challenges, the path forward lies somewhere between the openness of the 1990s and the barriers of the 1930s. Navigating it successfully will require flexibility, pragmatism, a willingness to break with past practice, and the courage to take positions that sometimes are unpopular with international elites. The United States must avoid the stale, reductionist paradigm of free trade versus protectionism, which oversimplifies complex issues and stifles creative policymaking. This almost religious approach to trade policy also obscures the fact that trade is an issue on which it is possible to achieve broad, bipartisan consensus in an otherwise divided time. After all, the USMCA won the support of 90 percent of both the House and the Senate.

This powerful consensus should last, because it is rooted in deeply held values. Where trade is concerned, most Americans want the

same thing: balanced outcomes that keep trade flows strong while ensuring that working people have access to steady, well-paying jobs. Neither old-school protectionism nor unbridled globalism will achieve that. Instead, as the United States confronts future trade challenges, it should chart a sensible middle course—one that, at long last, prizes the dignity of work. 🌐



**NO END  
TO ENDLESS WAR**

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# The United States’ Perpetual War in Afghanistan

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Why Long Wars No Longer Generate a  
Backlash at Home

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*Tanisha M. Fazal and Sarah Kreps*

AUGUST 20, 2018

**I**n October, the U.S. intervention in Afghanistan will turn 17. The human and material costs of what has become the United States’ longest-ever war are colossal. More than 2,000 U.S. military personnel have been killed and over 20,000 have been injured. The UN estimates that nearly 20,000 Afghan civilians have been killed and another 50,000 injured since 2009 alone. The United States has spent some \$877 billion on the war. The Trump administration’s recent initiative to seek direct peace talks with the Taliban—a first since the start of the war in 2001—highlights that Washington is actively looking for new ways to wind down its involvement in the conflict. But why has the U.S. intervention lasted so long in the first place?

Part of the answer is that Afghanistan’s toxic mix of “state collapse, civil conflict, ethnic disintegration and multisided intervention has locked it in a self-perpetuating cycle that may be simply beyond out-

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**TANISHA M. FAZAL** is Associate Professor of Political Science at the University of Minnesota and the author of *Wars of Law: Unintended Consequences in the Regulation of Armed Conflict*.

**SARAH KREPS** is Associate Professor of Government and Adjunct Professor of Law at Cornell University. She is the author of *Taxing Wars: The American Way of War Finance and the Decline of Democracy*.

side resolution,” as Max Fisher and Amanda Taub summarized in a *New York Times* post. But their diagnosis does not speak to a critical dimension of the conflict: namely, how the relative indifference of the U.S. public has allowed the war to drag on.

In theory, leaders in a democracy have incentives to heed public preferences or risk being voted out of office, which means that public opposition to a war makes its continuation untenable. Yet when it comes to Afghanistan, the U.S. public has favored the status quo at best and expressed deep ambivalence at worst. In polls taken a year ago, only 23 percent of Americans believed the United States was winning the war in Afghanistan, and a plurality (37 percent) supported a troop draw-down. At the same time, however, 44 percent wanted to either keep troop levels about the same or increase them, while 19 percent did not have an opinion. Another poll showed that 71 percent of respondents agreed that “full withdrawal of U.S. troops from Afghanistan would leave a vacuum that would allow terrorist groups like ISIS to expand.” Americans are not necessarily enthusiastic about sending more troops to Afghanistan, but they certainly are not clamoring for withdrawal.

Contrast this with the vocal opposition to the Vietnam War. What began as a small antiwar movement in 1964–65 scaled up as the war escalated in 1966, giving rise to massive protests in 1967: 100,000 people marching in Washington, D.C., and half a million protesting in New York City. Passions in the antiwar movement reflected opposition in the public as a whole. Most Americans knew little about the war until the Johnson administration ramped up troop levels, but as it became clear that the war would be long and protracted, elite disaffection increased. And public opinion, dragged down by the unpopularity of the draft, began “a path of slow and steady decline” from which it would never recover. When citizens were asked in 1965 whether sending troops was a mistake, only 24 percent agreed. Three years on, 46 percent said yes. By 1970, the proportion rose to 57 percent, and it remained at around 60 percent until the end of the war.

### **LONG BUT PAINLESS**

That public disaffection at home hastened the end of the Vietnam War is now widely acknowledged. By contrast, the American public has so far failed to turn up the heat on leaders to end the war in Afghanistan—even though few think that the country is winning. Protests against the war have been few and far between.

Popular anger is absent because the public is no longer directly affected by the war legally, personally, or financially. For one, today's wars are less noticeable because they are increasingly unofficial. As the laws of war have proliferated, putting ever more constraints on what states at war can and cannot do, governments have looked for ways to sidestep this legal regime. At times, this simply means not signing international agreements: U.S. presidents of both parties have been unwilling to push for ratification of the Rome Statute, the treaty that founded the International Criminal Court, lest U.S. military personnel abroad be prosecuted unjustly. More often, however, states avoid stepping over any bright lines that put them unequivocally in the legal domain of war. As a result, the United States has gradually moved away from the legal formalities that had defined war for centuries. It has not issued a formal declaration of war since World War II. Congress did not invoke its power to declare war under Article 1, Section 8 of the U.S. Constitution to send troops to Afghanistan. Instead, it passed the sweeping Authorization for Use of Military Force, which has limped along since 2001 despite a constant barrage of bipartisan criticism. Likewise, the United States has not signed any formal peace agreements since the 1973 Paris Peace Accords—a trend that bodes ill for negotiations with the Taliban. Because such treaties have become less frequent, citizens no longer expect a formal end to war. Today's informal wars are more easily normalized and even obscured from public view, removing some of the pressure to conclude them at all.

Second, most U.S. citizens no longer bear the physical costs of war personally. The end of conscription and the creation of an all-volunteer military in the 1970s have led to an opt-in system and a growing gap between most citizens and the military. In 1980, 18 percent of the population were veterans. By 2016, that number was down to 7 percent, which means that the average person today is far less likely to have experienced war. And the fact that not even one in 200 U.S. citizens serves in the military today means that few people directly know someone on active duty. Today's public is more insulated from the human costs of war than previous generations.

Third, the nature of those physical costs has changed. Nonfatal casualties have almost always outnumbered fatal casualties in war, but this gap is increasingly stark for the United States today. For every U.S. soldier who died during World War II, four others were wounded. This wounded-to-killed ratio mostly held steady through Korea and



Vietnam. In Afghanistan, however, it has more than doubled, and there are now ten wounded soldiers for every fatality. That media and polling organizations tend to focus on fatalities rather than the injured obscures this particular cost of war.

Finally, war no longer has the direct financial impact on U.S. citizens that it once did. Up until the Vietnam War, the United States levied war taxes. As a result, the public was patently aware of the costs of the war, and when citizens felt that a military campaign was no longer worth the costs they personally had to bear, they pressured leaders to bring it to a close. Tax hikes in 1968 to fund the fight in Vietnam were not the only reason millions took to the streets, but they were clearly a contributing factor. Based on official estimates, the war in Afghanistan had cost \$714 billion by 2017 and continues to cost about \$45 billion per year. But taxpayers wouldn't know it, since these costs are just added to the national debt. Because the war is but one source among many to blame for the growing mountain of U.S. debt, its financial impact is easily overlooked.

All of these changes—legal, civil-military, and financial—are unlikely to reverse themselves anytime soon, which means that the way Americans feel the effect of conflict is unlikely to change either. But without being confronted with the grim realities of war, the public is unlikely to exercise the levers of accountability that it did in the past by voicing opposition and pressuring leaders to bring a close to the war. And without pressure from below, Congress is unlikely to act. War without end will be not the exception but the rule. 🌐

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# Confronting Iran

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## The Trump Administration's Strategy

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*Michael R. Pompeo*

NOVEMBER/DECEMBER 2018

**T**he end of the Cold War forced new thinking among policymakers and analysts about the greatest challenges to U.S. national security. The emergence of al Qaeda, cybercriminals, and other dangerous entities affirmed the threat of nonstate actors. But equally daunting has been the resurgence of outlaw regimes—rogue states that defy international norms, fail to respect human rights and fundamental freedoms, and act against the security of the American people, U.S. allies and partners, and the rest of the world.

Chief among these outlaw regimes are North Korea and Iran. Their transgressions against international peace are many, but both nations are most notorious for having spent decades pursuing nuclear weapons programs in violation of international prohibitions. Despite Washington's best efforts at diplomacy, Pyongyang hoodwinked U.S. policymakers with a string of broken arms control agreements going back to the George H. W. Bush administration. North Korea's nuclear weapons and ballistic missile programs continued apace, to the point where after Donald Trump was elected, President Barack Obama told him that this would be his greatest national security challenge. With Iran, likewise, the deal that the Obama administration struck in

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**MICHAEL R. POMPEO** is U.S. Secretary of State.

2015—the Joint Comprehensive Plan of Action, or JCPOA—failed to end the country’s nuclear ambitions. In fact, because Iran knew that the Obama administration would prioritize preserving the deal over everything else, the JCPOA created a sense of impunity on the part of the regime, allowing it to increase its support for malign activity. The deal has also given Tehran piles of money, which the supreme leader has used to sponsor all types of terrorism throughout the Middle East (with few consequences in response) and which have boosted the economic fortunes of a regime that remains bent on exporting its revolution abroad and imposing it at home.

That the threats from North Korea and Iran grew in the post–Iraq war era has further complicated the question of how best to counteract them; Americans are rightly skeptical of the costs of a protracted military commitment in the name of protection from weapons of mass destruction. With the difficulties of Iraq fresh in mind, and with previous agreements to restrain the threats from North Korea and Iran having proved impotent, stopping these recalcitrant regimes from doing harm demands new diplomatic paradigms.

Enter President Trump. For all of the Washington establishment’s fretting over his style of international engagement, his diplomacy is anchored in a deliberate approach that gives the United States an advantage in confronting outlaw regimes.

## **THE TRUMP DOCTRINE**

Both on the campaign trail and in office, President Trump has been clear about the need for bold American leadership to put the United States’ security interests first. This commonsense principle reverses the Obama administration’s preferred posture of “leading from behind,” an accommodationist strategy that incorrectly signaled diminished American power and influence. Leading from behind made North Korea a greater threat today than ever before. Leading from behind at best only delayed Iran’s pursuit of becoming a nuclear power, while allowing the Islamic Republic’s malign influence and terror threat to grow.

Today, both North Korea and Iran have been put on notice that the United States will not allow their destabilizing activities to go unchecked. The aggressive multinational pressure campaign that the United States has led against North Korea, combined with the president’s clear and unequivocal statements that the United States will defend its vital interests with force if necessary, created the conditions

for the talks that culminated in President Trump's summit with Chairman Kim Jong Un in Singapore this past June. It was there that Chairman Kim committed to the final, fully verified denuclearization of North Korea. North Korea has made similar commitments in the past, but unlike those, this was the first time there was a personal, leader-to-leader commitment on denuclearization. That may or may not signal a major strategic shift on the part of Chairman Kim, and we have much work to do to gauge his intentions and make sure his commitment is implemented. But President Trump's approach has created an opportunity to peacefully resolve an issue of vital national security that has long vexed policymakers. The president, our special representative for North Korea (Stephen Biegun), and I will continue to work with clear eyes to seize this opportunity.

With Iran, similarly, the Trump administration is pursuing a "maximum pressure" campaign designed to choke off revenues that the regime—and particularly the Islamic Revolutionary Guard Corps (IRGC), part of Iran's military that is directly beholden to the supreme leader—uses to fund violence through Hezbollah in Lebanon, Hamas in the Palestinian territories, the Assad regime in Syria, the Houthi rebels in Yemen, Shiite militias in Iraq, and its own agents covertly plotting around the world.

Yet President Trump does not want another long-term U.S. military engagement in the Middle East—or in any other region, for that matter. He has spoken openly about the dreadful consequences of the 2003 invasion of Iraq and the 2011 intervention in Libya. Pundits may gin up fear over the idea that this administration will get the United States into a war, but it is clear that Americans have a president who, while not afraid to use military power (just ask the Islamic State, the Taliban, or the Assad regime), is not eager to use it, either. Overwhelming military force will always be a backstop for protecting the American people, but it should not be the first option.

Another important aspect of the president's diplomacy is his willingness to talk to the United States' staunchest adversaries. As he said in July, "Diplomacy and engagement is preferable to conflict and hostility." Consider his approach to North Korea: his diplomacy with Chairman Kim diffused tensions that were escalating by the day.

Complementing the president's willingness to engage is his instinctual aversion to bad deals. His understanding of the importance of leverage in any negotiation eliminates the potential for deeply coun-

terproductive agreements like the JCPOA. He is willing to forge agreements with U.S. rivals, but he is also comfortable walking away from negotiations if they don't end up furthering U.S. interests. This is in stark contrast to the Obama administration's approach to the JCPOA, in which the deal itself became an objective to be obtained at all costs.

When considering a future North Korea deal that is superior to the JCPOA, we have described our objective as “the final, fully verified denuclearization of the Korean Peninsula, as agreed to by Chairman Kim Jong Un.” “Final” means that there will be no possibility that North Korea will ever restart its weapons of mass destruction and ballistic missile programs—something the JCPOA did not provide for with Iran. “Fully verified” means that there will be stronger verification standards than were required under the JCPOA, which, among other weaknesses, did not require inspections at key Iranian military facilities. The exact contours of a North Korea agreement remain to be negotiated, but “final” and “fully verified” are centerpieces on which we will not compromise.

### **THE IRANIAN THREAT**

President Trump's commitment to the American people's security, combined with his aversion to the unnecessary use of military force and his willingness to talk to adversaries, has provided a new framework for confronting outlaw regimes. And today, no regime has more of an outlaw character than that of Iran. That has been the case since 1979, when a relatively small cadre of Islamic revolutionaries seized power. The regime's revolutionary mindset has motivated its actions ever since—in fact, soon after its founding, the IRGC created the Quds Force, its elite special forces unit, and tasked it with exporting the revolution abroad. Ever since, regime officials have subordinated all other domestic and international responsibilities, including their obligations to the Iranian people, to fulfilling the revolution.

As a result, over the past four decades, the regime has sown a great deal of destruction and instability, bad behavior that did not end with the JCPOA. The deal did not permanently prevent Iran's pursuit of a nuclear weapon—indeed, the statement in April by Iran's top nuclear official that the country could restart its nuclear program in days suggests that it may not have delayed that program very much at all. Nor did the deal curtail Iran's violent and destabilizing activity in Afghanistan, Iraq, Lebanon, Syria, Yemen, and Gaza. Iran still supplies the

Houthis with missiles that are fired at Saudi Arabia, supports Hamas' attacks on Israel, and recruits impressionable Afghan, Iraqi, and Pakistani youth to fight and die in Syria. Thanks to Iranian subsidies, the average Lebanese Hezbollah fighter earns two or three times per month what a fireman in Tehran brings home.

In May 2018, President Trump withdrew from the nuclear deal because it was clearly not protecting the national security interests of the United States or our allies and partners, nor was it making Iran behave like a normal country. In July, an Iranian diplomat based in Vienna was arrested for supplying explosives to terrorists seeking to bomb a political rally in France. It is telling that while Iran's leaders try to convince Europe to stay in the nuclear deal, they are covertly plotting terrorist attacks in the heart of the continent. Taken together, Iran's actions have made the country a pariah, much to the despair of its own people.

### **THE PRESSURE CAMPAIGN**

In place of the Iran nuclear deal, President Trump has initiated a multi-pronged pressure campaign. Its first component is economic sanctions. The president recognizes the power of sanctions to squeeze the regime while incurring a low opportunity cost for the United States. Under the Trump administration, the United States has imposed 17 rounds of Iran-related sanctions, targeting 147 Iran-related individuals and entities.

The goal of these aggressive sanctions is to force the Iranian regime to make a choice: whether to cease or persist in the policies that triggered the measures in the first place. Iran's decision to continue its destructive activity has already had grave economic consequences, which have been exacerbated by officials' gross mismanagement in pursuit of their own self-interests. Extensive meddling in the economy by the IRGC, under the guise of privatization, makes doing business in Iran a losing proposition, and foreign investors never know whether they are facilitating commerce or terrorism. Instead of using what wealth the JCPOA has generated to boost the material well-being of the Iranian people, the regime has parasitically consumed it and shelled out billions in subsidies for dictators, terrorists, and rogue militias. Iranians are understandably frustrated. The rial's value has collapsed in the past year. A third of Iranian youth are unemployed. Unpaid wages are leading to rampant strikes. Fuel and water shortages are common.

This malaise is a problem of the regime's own making. Iran's elite resembles a Mafia in its racketeering and corruption. Two years ago,

Iranians rightfully erupted in anger when leaked pay stubs showed massive amounts of money inexplicably flowing into the bank accounts of senior government officials. For years, clerics and officials have wrapped themselves in the cloak of religion while robbing the Iranian people blind. Today, protesters chant to the regime, "You have plundered us in the name of religion." According to the London-based newspaper *Kayhan*, Ayatollah Sadeq Larijani, the head of Iran's judiciary, who the United States sanctioned this year for human rights abuses, is worth at least \$300 million, thanks to the embezzlement of public funds. Nasser Makarem Shirazi, a grand ayatollah, is also worth many millions of dollars. He became known as "the Sultan of Sugar" for having pressured the Iranian government to lower subsidies to domestic sugar producers while flooding the market with his own, more expensive imported sugar. This type of activity puts ordinary Iranians out of work. Ayatollah Mohammad Emami Kashani, one of the leaders of Friday prayers in Tehran for the last 30 years, had the government transfer several lucrative mines to his personal foundation. He, too, is now worth millions. The corruption goes all the way to the top. Iran's supreme leader, Ayatollah Ali Khamenei, has his own personal, off-the-books hedge fund called the Setad, which is worth \$95 billion. That untaxed and ill-gotten wealth, often earned by expropriating the assets of political and religious minorities, is used as a slush fund for the IRGC. In other words, Iran's leading holy man captains the kind of plundering characteristic of Third World strongmen.

The regime's greed has created a chasm between the people of Iran and their leaders, making it difficult for officials to credibly persuade young Iranians to be the vanguard of the next generation of the revolution. The theocratic ayatollahs can preach "Death to Israel" and "Death to America" day and night, but they cannot mask their rank hypocrisy. Mohammad Javad Zarif, Iran's foreign minister, has degrees from San Francisco State University and the University of Denver, and Ali Akbar Velayati, the supreme leader's top adviser, studied at Johns Hopkins University. Khamenei himself is chauffeured around in a BMW, even as he calls for the Iranian people to buy goods made in Iran. This phenomenon is similar to what occurred in the Soviet Union in the 1970s and 1980s, when the spirit of 1917 began to ring hollow on account of the hypocrisy of its champions. The Politburo could no longer with a straight face tell Soviet citizens to embrace communism when Soviet officials were themselves secretly peddling smuggled blue jeans and Beatles records.

Iran's leaders—especially those at the top of the IRGC, such as Qasem Soleimani, the head of the Quds Force—must be made to feel the painful consequences of their violence and corruption. Given that the regime is controlled by a desire for self-enrichment and a revolutionary ideology from which it will not easily depart, sanctions must be severe if they are to change entrenched habits. That's why the Trump administration is reimposing U.S. sanctions that were lifted or waived as part of the nuclear deal; the first of these went back into effect on August 7, with the remainder coming back on November 5. We intend to get global imports of Iranian crude oil as close to zero as possible by November 4. As part of our campaign to crush the Iranian regime's terrorist financing, we have also worked with the United Arab Emirates to disrupt a currency exchange network that was transferring millions of dollars to the Quds Force. The United States is asking every nation that is sick and tired of the Islamic Republic's destructive behavior to stand up for the Iranian people and join our pressure campaign. Our efforts will be ably led by our new special representative for Iran, Brian Hook.

Economic pressure is one part of the U.S. campaign. Deterrence is another. President Trump believes in clear measures to discourage Iran from restarting its nuclear program or continuing its other malign activities. With Iran and other countries, he has made it clear that he will not tolerate attempts to bully the United States; he will punch back hard if U.S. security is threatened. Chairman Kim has felt this pressure, and he would never have come to the table in Singapore without it. The president's own public communications themselves function as a deterrence mechanism. The all-caps tweet he directed at Iranian President Hassan Rouhani in July, in which he instructed Iran to stop threatening the United States, was informed by a strategic calculation: the Iranian regime understands and fears the United States' military might. In September, militias in Iraq launched life-threatening rocket attacks against the U.S. embassy compound in Baghdad and the U.S. consulate in Basra. Iran did not stop these attacks, which were carried out by proxies it has supported with funding, training, and weapons. The United States will hold the regime in Tehran accountable for any attack that results in injury to our personnel or damage to our facilities. America will respond swiftly and decisively in defense of American lives.



We do not seek war. But we must make painfully clear that escalation is a losing proposition for Iran; the Islamic Republic cannot match the United States' military prowess, and we are not afraid to let Iran's leaders know it.

## **IRAN EXPOSED**

Another critical component of the U.S. pressure campaign against Iran is a commitment to exposing the regime's brutality. Outlaw authoritarian regimes fear nothing more than having the lid blown off their true workings. The Trump administration will continue to reveal the regime's illicit revenue streams, malign activities, crooked self-dealing, and savage oppression. The Iranian people themselves deserve to know the grotesque level of self-interest that fuels the regime's actions. Khamenei and his ilk would not be able to tolerate the domestic and international outrage that would ensue if everything they were up to came to light. Beginning last year, protesters have taken to the street saying, "Leave Syria, think about us!" and "The people are paupers while the mullahs live like gods!" The United States stands with the Iranian people.

U.S. President Ronald Reagan understood the power of exposure when he cast the Soviet Union as "an evil empire." By throwing a spotlight on the regime's abuses, he was pledging solidarity with a people who had long suffered under communism. It is likewise for the sake of the Iranian people that the Trump administration has not been afraid to expose the regime's merciless domestic repression. The regime is so wedded to certain ideological principles—including the export of the Islamic Revolution through proxy warfare and the subversion of fellow Muslim-majority countries, implacable opposition to Israel and the United States, and stringent social controls that restrict the rights of women—that it cannot endure any competing ideas. Hence, it has for decades denied its own people human rights, dignity, and fundamental freedoms. That is why in May, for example, Iranian police arrested Maedeh Hojabri, a teenage gymnast, for posting an Instagram video of herself dancing.

The regime's views on women are particularly retrograde. Since the revolution, women have been required to wear the hijab, and as enforcement, government morality police beat women in the streets and arrest those who refuse to comply. Recent protests against this policy on female dress show that it has failed, and Khamenei surely

must know it. Yet in July, an activist was sentenced to 20 years in prison for removing her hijab.

The regime also regularly arrests religious or ethnic minorities, including Bahais, Christians, and Gonabadi dervishes, when they speak out in support of their rights. Untold numbers of Iranians are tortured and die in Evin Prison—a place no kinder than the basement of the Lubyanka, the dreaded headquarters of the KGB. Those imprisoned include several innocent Americans detained on spurious charges, victims of the regime's use of hostage taking as a tool of foreign policy.

Beginning last December, demonstrators took to the streets of Tehran, Karaj, Isfahan, Arak, and many other cities to peacefully call for a better life. In response, the regime welcomed in the new year in January by arbitrarily arresting up to 5,000 of them. Hundreds reportedly remain behind bars, and more than a dozen are dead at the hands of their own government. The leaders cynically call these deaths suicide.

It is in keeping with the character of the United States that we expose these abuses. As President Reagan said in a speech at Moscow State University in 1988, "Freedom is the recognition that no single person, no single authority or government, has a monopoly on the truth, but that every individual life is infinitely precious, that every one of us put on this world has been put there for a reason and has something to offer." In May, the Trump administration enumerated 12 areas in which Iran must make progress if there is to be any change in our relationship, including fully halting its uranium enrichment, providing a full account of the prior military dimensions of its nuclear program, ending its proliferation of ballistic missiles and provocative missile launches, releasing imprisoned U.S. citizens, ending its support for terrorism, and more.

President Trump has made clear that the pressure will only increase if Iran does not live up to the standards the United States and its partners and allies—and the Iranian people themselves—want to see. That is why Washington is also demanding that Tehran make substantial improvements on human rights. As the president has consistently said, he remains open to talks. But as is the case with North Korea, the United States will continue its pressure campaign until Iran demonstrates tangible and sustained shifts in its policies. If Iran makes those shifts, the possibility of a new comprehensive agreement will greatly increase. We think a deal with the regime is possible. In the absence of one, Iran will face increasing costs for all its reckless and violent activity around the world.

President Trump prefers not to conduct this campaign alone; he wants U.S. allies and partners on board. Indeed, other countries already share a common understanding of the threat Iran poses beyond its nuclear aspirations. French President Emmanuel Macron has said, “It is important to remain firm with Iran over its regional activities and its ballistic program”; British Prime Minister Theresa May has said that she is “clear-eyed about the threat that Iran poses to the Gulf and the wider Middle East.” This widespread agreement about the Iranian threat leaves no room for countries to remain ambivalent about whether to join the global effort to change Iran’s behavior, an effort that is big and getting bigger.

### **THE POWER OF MORAL CLARITY**

President Trump inherited a world in some ways as dangerous as the one faced by the United States on the eve of World War I, the one right before World War II, or that during the height of the Cold War. But his disruptive boldness, first on North Korea and now on Iran, has shown how much progress can be made by marrying clarity of conviction with an emphasis on nuclear nonproliferation and strong alliances. President Trump’s actions in confronting outlaw regimes stem from the belief that moral confrontation leads to diplomatic conciliation.

This was the blueprint for one of the great foreign policy triumphs of the last century: the American victory in the Cold War. In the first week of his presidency, President Reagan described Soviet leaders, saying, “The only morality they recognize is what will further their cause, meaning they reserve unto themselves the right to commit any crime, to lie, to cheat.” Foreign policy analysts derided his comments, believing their candor would hinder progress toward peace. But the president had also emphasized a commitment to negotiate with the Soviets, a fact that went largely ignored. President Reagan’s combination of moral clarity and diplomatic acuity laid the groundwork for the 1986 talks in Reykjavik and, later, the downfall of Soviet communism itself.

Those who still bow to the same totemic conviction that candor impedes negotiations must recognize the effect that targeted rhetorical and practical pressure have had—and are having—on outlaw regimes. At the rate that the Iranian economy is declining and protests are intensifying, it should be clear to the Iranian leadership that negotiations are the best way forward. 🌐

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# America's Middle East Purgatory

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## The Case for Doing Less

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*Mara Karlin and Tamara Cofman Wittes*

JANUARY/FEBRUARY 2019

**W**hen U.S. President Donald Trump talks about the Middle East, he typically pairs bellicose threats against Iran and the Islamic State (or ISIS) with fulsome pledges of support for the United States' regional partners, such as Israel and Saudi Arabia. But the tough talk is misleading: there is little reason to think that Trump actually wants the United States to get more involved in the region.

He pulled the United States out of the Iran nuclear deal but has shown no eagerness for a conflict with the Islamic Republic. He has continued U.S. President Barack Obama's support for the Saudi-led war in Yemen but resisted calls for deeper military engagement there. Despite his promise of a "deal of the century," a U.S. proposal on Arab-Israeli peace remains on the shelf. His support for an "Arab NATO," a security alliance among Egypt, Jordan, and six Gulf states, has been stymied by deepening rifts among the Gulf countries. His vacillating approach toward Syria has led to confusion over the U.S.

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**MARA KARLIN** is an Associate Professor at Johns Hopkins University's School of Advanced International Studies and a Nonresident Senior Fellow at the Brookings Institution. She was U.S. Deputy Assistant Secretary of Defense for Strategy and Force Development from 2015 to 2016.

**TAMARA COFMAN WITTES** is a Senior Fellow in the Foreign Policy Program at the Brookings Institution. She was U.S. Deputy Assistant Secretary of State for Near Eastern Affairs from 2009 to 2012.

military's mission there. The Defense Department has scaled back U.S. military capabilities in the Middle East in order to redirect resources to the increasing threats posed by China and Russia, leaving partners in the region wondering about Washington's commitment to their security. For all the aggressive rhetoric, Trump's Middle East policies have proved remarkably reserved.

In that regard, Trump is strikingly like his predecessor. Trump may talk about the Middle East differently than Obama did. But the two seem to share the view that the United States is too involved in the region and should devote fewer resources and less time to it. And there is every reason to believe that the next president will agree. The reduced appetite for U.S. engagement in the region reflects not an ideological predilection or an idiosyncrasy of these two presidents but a deeper change in both regional dynamics and broader U.S. interests. Although the Middle East still matters to the United States, it matters markedly less than it used to.

U.S. strategy toward the Middle East, however, has yet to catch up with these changes. The United States thus exists in a kind of Middle Eastern purgatory—too distracted by regional crises to pivot to other global priorities but not invested enough to move the region in a better direction. This worst-of-both-worlds approach exacts a heavy price. It sows uncertainty among Washington's Middle Eastern partners, which encourages them to act in risky and aggressive ways. (Just look at Saudi Arabia's brazen assassination of the journalist Jamal Khashoggi or its bloody campaign in Yemen.) It deepens the American public's frustration with the region's endless turmoil, as well as with U.S. efforts to address it. It diverts resources that could otherwise be devoted to confronting a rising China and a revanchist Russia. And all the while, by remaining unclear about the limits of its commitments, the United States risks getting dragged into yet another Middle Eastern conflict.

To say that the Middle East matters less to the United States does not mean that decreased U.S. involvement will necessarily be good for the region. The Middle East is in the midst of its greatest upheaval in half a century, generating an all-out battle for power among its major players. The region's governments, worried about what Washington's growing disregard for the Middle East means for their own stability, are working hard to draw the hegemon back in. But it is time for Washington to put an end to wishful thinking about its abil-

ity to establish order on its own terms or to transform self-interested and shortsighted regional partners into reliable allies—at least without incurring enormous costs and long-term commitments. That means making some ugly choices to craft a strategy that will protect the most important U.S. interests in the region, without sending the United States back into purgatory.

### **A LESS RELEVANT REGION**

In response to the Iraq war, the United States has aimed to reduce its role in the Middle East. Three factors have made that course both more alluring and more possible. First, interstate conflicts that directly threatened U.S. interests in the past have largely been replaced by substate security threats. Second, other rising regions, especially Asia, have taken on more importance to U.S. global strategy. And third, the diversification of global energy markets has weakened oil as a driver of U.S. policy.

During the Cold War, traditional state-based threats pushed the United States to play a major role in the Middle East. That role involved not only ensuring the stable supply of energy to Western markets but also working to prevent the spread of communist influence and tamping down the Arab-Israeli conflict so as to help stabilize friendly states. These efforts were largely successful. Beginning in the 1970s, the United States nudged Egypt out of the pro-Soviet camp, oversaw the first Arab-Israeli peace treaty, and solidified its hegemony in the region. Despite challenges from Iran after its 1979 revolution and from Saddam Hussein's Iraq throughout the 1990s, U.S. dominance was never seriously in question. The United States contained the Arab-Israeli conflict, countered Saddam's bid to gain territory through force in the 1990–91 Gulf War, and built a seemingly permanent military presence in the Gulf that deterred Iran and muffled disputes among the Gulf Arab states. Thanks to all these efforts, the chances of deliberate interstate war in the Middle East are perhaps lower now than at any time in the past 50 years.

But today, the chief threat in the Middle East is not a state-on-state conflict but the growing substate violence spilling across borders—a challenge that is harder to solve from the outside. The terrorism and civil war plaguing the Middle East have spread easily in a permissive environment of state weakness. This environment was fostered by the U.S. invasion of Iraq and then, more generally, by the dysfunctional governance that led to the Arab uprisings of

2010–12 and the subsequent repressive responses. The region's most violent hot spots are those where dictators met demands from their citizens with force and drove them to take up arms. The United States cannot fundamentally alter this permissive environment for terrorism and chaos without investing in state building at a level far beyond what either the American public or broader foreign policy considerations would allow. And so it simply cannot hope to do much to counter the Middle East's violence or instability.

Some of the chaos directly threatens U.S. partners. Jordan's vulnerability skyrocketed in 2014 as hundreds of thousands of Syrian refugees fled there (which is the reason the United States ramped up its aid to the country). Saudi Arabia's critical infrastructure has proved dangerously exposed (which is why the United States deepened its support there, as well). But today, the primary threats to these partners are internal. In Jordan, Saudi Arabia, and elsewhere, dysfunctional state-led economic systems and unaccountable governments are failing to meet the needs or aspirations of a large, young, reasonably healthy, and globally connected generation. Change will have to come from the Arab states themselves, and although the United States can support reformers within Arab societies, it cannot drive this kind of transformation from the outside.

Some argue that these problems still matter a lot to the United States and that there is still much it could do to solve them if it were willing to go all in. Proponents of this maximalist approach believe that with sufficient resources, the United States could decisively defeat ISIS and other extremists, stabilize and reconstruct liberated communities, and lay the foundations for a lasting peace by pushing states to overhaul the social contract between rulers and ruled. This outcome is not impossible to imagine. But the experience of the United States in Iraq, Libya, and Syria suggests that this path would be rockier than it might first appear and that it would be extremely challenging to sustain domestic political support for the large, long-term investments that these goals would require.

Even as the Middle East's problems have become less susceptible to constructive outside influence, the United States' global interests have also changed—most of all when it comes to Asia. For decades, U.S. policymakers debated whether China could rise peacefully, but the country's destabilizing behavior, especially its insistence that its neighbors accept its territorial claims in the South China Sea and over Tai-

wan, have led many to worry that it will not. Both Obama and Trump recognized that Asia has become more important to U.S. grand strategy. As the former put it when announcing what became known as the “rebalance” to Asia, “After a decade in which we fought two wars that cost us dearly, in blood and treasure, the United States is turning our attention to the vast potential of the Asia-Pacific region.” Russia, meanwhile, has generated growing concern ever since its invasion of Crimea in 2014, and fears about European security and stability have pushed the Middle East even further down the list of U.S. priorities.

Then there is oil—the fuel that first drew the United States into the Middle East after World War II. Middle Eastern oil remains an important commodity in the global economy, but it is weakening as a driver of U.S. policy. One reason is the more abundant global supply, including new domestic sources aided by technologies such as fracking. Another is a widely anticipated stall in global demand, as technological advances and concerns about greenhouse gas emissions cause countries to shift away from fossil fuels. The result is a Middle East that is less central to global energy markets and less able to control pricing—and a United States that can afford to worry less about protecting the flow of oil from the region.

Many of the things that mattered to the United States when it first became involved in the Middle East still matter today. The United States should still care about protecting freedom of navigation in the region’s major maritime passages, preventing oil producers or troublemakers from suddenly turning off the flow, and containing would-be regional hegemony and other actors hostile to Washington. The question is how crucial these priorities are relative to other ones, and how much the United States should invest in them. The answer is that the United States should probably be less involved in shaping the trajectory of the region than it is.

## **LOST ILLUSIONS**

For a long time, policymakers have been tempted by the notion that there is some kind of golden mean for U.S. engagement in the Middle East. Somehow, the argument runs, the United States can develop a strategy that keeps it involved in the most critical issues but avoids allowing it to be drawn into the region’s more internecine battles. In this scenario, the United States could reduce its military presence while retaining a “surge” capacity, relying more on local partners to deter



threats and using aid and trade incentives to build coalitions among local actors to advance stabilizing policies, such as conflict resolution.

But this Goldilocks approach rests on the false assumption that there is such a thing as a purely operational U.S. military presence in the Middle East. In reality, U.S. military bases across the Gulf countries have strategic implications because they create a moral hazard: they encourage the region's leaders to act in ways they otherwise might not, safe in the knowledge that the United States is invested in the stability of their regimes. In 2011, for example, the Bahrainis and the Saudis clearly understood the message of support sent by the U.S. naval base in Bahrain when they ignored Obama's disapproval and crushed Shiite protests there. In Yemen, U.S. support for the Emirati and Saudi military campaign shows how offering help can put the United States in profound dilemmas: the United States is implicated in air strikes that kill civilians, but any proposal to halt its supplies of its precision-guided missiles is met with the charge that denying Saudi Arabia smarter munitions might only increase collateral civilian casualties. U.S. efforts to train, equip, and advise the Syrian Democratic Forces in the fight against ISIS are yet another reminder that none of Washington's partnerships has purely operational consequences: U.S. support of the SDF, seen by Ankara as a sister to the Kurdistan Workers' Party, has made the United States' relationship with Turkey knottier than ever.

Supporters of the Goldilocks approach also suggest that the United States can substitute military engagement with vigorous diplomacy. But U.S. Secretary of State John Kerry's experience with the negotiations over the Syrian civil war, where his efforts were undercut by Obama's reluctance to involve the United States, demonstrated that diplomacy without teeth doesn't get you very far. Goldilocks proponents imagine that the United States can somehow escape the push-pull dynamic of Middle Eastern involvement, but all this approach ends up accomplishing is prolonging the time in purgatory. Yet it is not enough to simply propose that the United States do less in the region without explaining what that would look like in practice. It is clear that Washington should reduce its role in the Middle East; how it scales back and to what end are the critical questions.

A new approach to the region should begin with accepting a painful tradeoff: that what is good for the United States may not be good for the Middle East. U.S. policymakers and the public already seem

surprisingly comfortable watching repressive Arab rulers consolidate power in some countries, while brutal insurgents displace civilians and destroy cities in others. But a superpower must make tough choices, prioritizing the conflicts and issues that matter most for its global strategy. During the Cold War, for example, the United States took a relatively hands-off approach to most of Africa, backing anti-communist strongmen and proxies in a few places even at the cost of long-term stability. This had terrible consequences for the people of, say, Angola or what was then Zaire (now the Democratic Republic of the Congo), but it was a tolerable decision for U.S. interests. The same is likely to be true in the Middle East today.

It is not enough to just set limits on its commitments; the United States must also clearly communicate those limits to other countries. At a summit at Camp David in 2015, Obama alarmed Gulf partners when he told them that the United States would protect them from external threats but pointedly declined to mention internecine ones. Obama was right to put the onus on Gulf states to address their own internal challenges and to make clear that the United States had no dog in most of their regional fights. Today, likewise, the United States should put its regional partners on notice that it will not back some of their pet political projects, such as the United Arab Emirates' attempt to resuscitate the Palestinian politician Mohammad Dahlan in the Gaza Strip or its effort, along with Egypt, to back the military commander Khalifa Haftar in Libya. Washington must also set clear guidelines about when it will and won't use force. It should clarify, for example, that it will target terrorists who threaten the United States or its partners but will not intervene militarily in civil wars except to contain them (as opposed to resolving them through force).

Since a less engaged United States will have to leave more of the business of Middle Eastern security to partners in the region, it must rethink how it works with them. For example, the U.S. military is fond of talking about a “by, with, and through” approach to working with local partners—meaning military “operations are led by our partners, state or nonstate, with enabling support from the United States or U.S.-led coalitions, and through U.S. authorities and partner agreements,” as General Joseph Votel, commander of U.S. Central Command, explained in an article in *Joint Force Quarterly* in 2018. But that model works only if the partners on the ground share Washington's priorities. Consider the Defense Department's doomed program to

train and equip rebels in Syria. Rightly mistrustful of those partners, fearing they might drag the United States into a war with Bashar al-Assad, Washington was unwilling to provide sophisticated support. And although the fighters were instructed to prioritize attacking ISIS over regime forces that were shelling their hometowns, they changed course when Turkey invaded Afrin and began fighting the Turks instead, stalling the campaign against ISIS elsewhere. The United States has worked well with Kurdish militias in the fight against ISIS in northeastern Syria—but as soon as Trump expressed his desire to pull U.S. forces out, the rebels began to explore cutting a deal with Damascus.

It is also crucial that the United States accept the limitations of its partners and see them for what they truly are, warts and all. Sometimes, these partners won't be able to confront security challenges without direct help from the United States. In these cases, U.S. policymakers will have to accept that if the effort is imperative for U.S. national security interests, Washington will have to do the work itself. For example, the United States has spent decades trying to build a security alliance among Gulf states. Even before the current Gulf rift began, this effort had started going off the rails, with many countries allowing mutual hatreds to get in the way of a cooperative effort against Iran. Now that Bahrain, Saudi Arabia, and the United Arab Emirates are blockading Qatar, this alliance is looking even more like a pipe dream.

A clear-eyed approach also requires accepting that China or Russia (or both) will likely gain more of a footing in the Middle East as the United States pulls back. The good news is that neither power is likely to make a real bid for regional hegemony. So far, China has established itself in the region by gingerly stepping around multiple conflicts, seeking friendships and trade relationships while carefully avoiding taking sides in any rivalries. The crass views of power and money evident in Russia's involvement in Syria, where Kremlin-linked mercenary firms have fought for Assad and gained lucrative oil profits, suggest that regional governments will face a strict quid pro quo from Moscow, not the kind of reliable partnerships the United States has traditionally provided. Setting Syria aside, Russia's role in the region has been similar to China's: free-riding on U.S. security guarantees while using diplomacy and commercial ties to make friends as widely as possible without offering unique guarantees to any one party. Given the relatively limited ambitions of China and Russia, and how well the United States has demonstrated the immense price

of being the regional security manager, Washington should be able to retain the preponderance of power in the Middle East even after pulling back. Yet if one of its core partners or interests is threatened, it will need to be prepared to change course.

### **WHAT STILL MATTERS**

These recommendations all involve accepting what doesn't matter to U.S. interests. But there are issues in the Middle East that still greatly concern the United States. Those who prefer that Washington withdraw from the region entirely underestimate how dangerous the resulting power vacuum could be. The United States does have important interests in the region to protect.

One of them is sustaining freedom of navigation for the U.S. Navy and for global commercial traffic through the Middle East's major maritime passages—the Strait of Hormuz, the Bab el Mandeb Strait, and the Suez Canal. Fortunately, this is a global priority. Outside the Persian Gulf itself, the littoral states and other concerned parties across Asia and Europe share Washington's objective. Chinese naval forces have participated in antipiracy efforts in the Horn of Africa, and the Chinese navy recently built its first overseas base to support that mission, in Djibouti. The United States could encourage China to participate in the 33-member Combined Maritime Forces and Combined Task Force 151, which fight piracy in the Gulf of Aden and off the eastern coast of Somalia, to ensure that China's activities are focused on shared maritime security. This would allow the United States to rely more on other concerned parties to address the piracy challenge. Still, doing so would come with its own costs—particularly as China has sought to rewrite the rules on freedom of navigation in its own region.

Fighting terrorism also remains a priority. To secure the American people, including U.S. forces stationed abroad, and the most important U.S. partners, the United States will have to prevent new threats from emerging in the Middle East. Like the Obama administration, the Trump administration has emphasized the need to lower the level of U.S. involvement in counterterrorism efforts. But this approach has its limits. Washington should recognize that its partners will inevitably permit or even encourage the activities of terrorist groups if doing so aligns with their short-term interests. Qatar, for example, has proved willing to work with extremist groups that, at a minimum, give aid to terrorist groups with international ambitions. The United

States should recognize that it cannot control everything its partners do and focus its efforts on discouraging their relationships with terrorist groups that might pursue operations beyond their immediate neighborhood or acquire game-changing capabilities.

Finally, the United States still has an interest in seeing its main partners—however imperfect they are—stable and secure, and it should weigh its investments in security cooperation and economic aid accordingly. Washington also needs to ensure that problems in the Middle East don't spill over into neighboring regions (a lesson from the Bosnian war in the 1990s that policymakers forgot when confronted with the Syrian war). Preventing conflicts from spreading does not mean launching all-out military interventions. But it will sometimes require the United States to actively contain the fighting and engage in coercive diplomacy designed to bring civil wars to a swifter end.

### **THE DEVIL WE DON'T KNOW**

Ultimately, lasting stability and security for the Middle East will come only if the relationship between rulers and the ruled changes. That will require more transparent, responsive, accountable, and participatory governments that give citizens a reason to buy into the system, instead of encouraging them to work around it through corruption, leave it behind through emigration, or try to tear it down through violence.

But that change cannot be driven by the United States without far more carrots and sticks than Washington is prepared to deploy. U.S. policymakers should instead support those who are proposing constructive solutions and work to shape the environment in which local actors will make their own choices about reordering the region. That work could involve others with a stake in Middle Eastern stability—Europe, for example. But for the foreseeable future, policymakers must accept that the Middle East will likely remain mired in dysfunction and that U.S. partners there will bow less and less to Washington's preferences. The United States will also have to abandon the fairy-dusted prospect of a negotiated agreement to end the Israeli-Palestinian conflict and settle for constraining the worst impulses of both sides as they reckon with recalcitrant domestic politics. The Iran nuclear deal did not put an end to Iran's destabilizing behavior or permanently box in its nuclear ambitions. But it did—and does—offer meaningful, verifiable constraints on Iranian nuclear activity for a significant period of time, better than can be expected from U.S. Secretary of State

Mike Pompeo's list of demands backed by "maximum pressure." The United States should return to the agreement and continue efforts to roll back Iran's bad behavior both alone and with partners.

Heavy U.S. involvement in the Middle East over the past two decades has been painful and ugly for the United States and for the region. But it is the devil we know, and so U.S. policymakers have grown accustomed to the costs associated with it. Pulling back, however, is the devil we don't know, and so everyone instinctively resists this position. It, too, will be painful and ugly for the Middle East, but compared with staying the course, it will be less so for the United States. It's time for the United States to begin the difficult work of getting out of purgatory. 🌐

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# Trump Didn't Shrink U.S. Military Commitments Abroad—He Expanded Them

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The President's False Promise of Retrenchment

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*Paul K. MacDonald and Joseph M. Parent*

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DECEMBER 3, 2019

**U**.S. President Donald Trump has repeatedly promised to extract the United States from costly foreign conflicts, bring U.S. troops home, and shrug off burdensome overseas commitments. “Great nations do not fight endless wars,” Trump declared in his 2019 State of the Union address. “We’re bringing our troops back home,” he boasted during a cabinet meeting in October. “I got elected on bringing our soldiers back home.”

But after nearly three years in office, Trump’s promised retrenchment has yet to materialize. The president hasn’t meaningfully altered the U.S. global military footprint he inherited from President Barack Obama. Nor has he shifted the costly burden of defending U.S. allies. To the contrary, he loaded even greater military responsibilities on the United States while either ramping up or maintaining U.S. in-

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**PAUL K. MACDONALD** is Associate Professor of Political Science at Wellesley College.

**JOSEPH M. PARENT** is Associate Professor of Political Science at the University of Notre Dame.

volvement in the conflicts in Afghanistan, Syria, and elsewhere. On practically every other issue, Trump departed radically from the path of his predecessor. But when it came to troop deployments and other overseas defense commitments, he largely preserved the chessboard he inherited—promises to the contrary be damned.

## **BY THE NUMBERS**

The clearest measure of Trump's retrenchment efforts, or lack thereof, is foreign troop deployments. In the final months of Obama's presidency, approximately 198,000 active duty U.S. military personnel were deployed overseas, according to the Pentagon's Defense Manpower Data Center. By comparison, the most recent figure for the Trump administration is 174,000 active duty troops. But even that difference reflects an accounting trick. Beginning in December 2017, the Defense Department started excluding troops deployed to Afghanistan, Iraq, and Syria from its official reports, citing a vague need to "protect our forces." When the estimated troop levels for those three countries are added back in, the current total is around 194,000—roughly equivalent to the number Trump inherited.

The main reason Trump has failed to reduce overseas troop levels is that every time he announces a drawdown he reverses himself. Consider Afghanistan. Prior to his election, Trump repeatedly called the war in Afghanistan a "terrible mistake" and declared that it was "time to come home!" But once in office, Trump increased the U.S. military presence in Afghanistan by around 50 percent. The Pentagon has since withdrawn some troops, but roughly 12,500 troops remain in Afghanistan, up from about 8,500 when Trump took office.

A similar story played out in northern Syria, from which Trump ordered the abrupt withdrawal of U.S. troops in December 2018. "We have won against ISIS," he claimed in a video released on Twitter. "Our boys, our young women, our men—they're all coming back." But after military officials and members of Congress pushed back and several administration officials resigned, Trump shifted gears and agreed to keep about half of the roughly 2,000 troops deployed to northern Syria in place. In October, the president announced that he would withdraw the remaining 1,000 troops, paving the way for a Turkish invasion of northern Syria and an assault on the United States' Kurdish allies. But once again, Pentagon officials prevailed on the president to leave close to 90 percent of the troops



behind to guard nearby oil fields. The remainder will be redeployed in the region instead of coming home.

One place where Trump has successfully pressed for troop reductions is Africa. The Pentagon announced the phased withdrawal of hundreds of U.S. troops from that continent beginning in 2018. But the U.S. military footprint in Africa was relatively small to begin with, at roughly 7,200 troops, and because counterterrorism operations remain active in West Africa, military commanders have recommended slashing the proposed reductions by half.

Moreover, Trump has stumbled into new military commitments in the Middle East and Europe. In response to rising tensions between Saudi Arabia and Iran, he authorized the deployment of some 14,000 additional troops to the Persian Gulf, including around 3,500 to protect Saudi oil facilities. Trump also agreed to expand the U.S. military presence in Poland with an additional 1,000 troops, and his administration is in talks to build a permanent military base there in the future. In short, Trump's vacillations have led to cosmetic redeployments and chronic confusion about U.S. priorities—but not to a meaningful reduction in troop levels.

### **THEIR FAIR SHARE**

As a candidate, Trump promised to reduce the fiscal burden of U.S. foreign policy, in particular by demanding that ungrateful allies pay more for American security assistance. He claimed that the United States had been “disrespected, mocked, and ripped off for many, many years by people that were smarter, shrewder, tougher.” (He cited Japan and South Korea specifically.) And as president, he used his first NATO summit to complain about how “many of these [European] nations owe massive amounts of money from past years.”

Yet Trump has had limited success pressing NATO countries to live up to a 2014 pledge to spend two percent of GDP on defense within a decade. When he took office, just four of the 29 NATO members (Britain, the United States, Estonia, and Greece) met the threshold. Four more countries (Poland, Romania, Latvia, and Lithuania) have hit the target since then, but mainly because their spending was already trending in that direction. At the same time, British defense spending actually fell and is expected to flat-line at around 2.1 percent. French defense spending is slated to rise from 1.8 percent of GDP to two percent, but not until 2025. Germany won't hit the two percent target until 2031.

Even on the flattering but unrealistic assumption that these modest shifts are a response to Trump, together they will amount to no more than a \$38 billion increase by the end of 2019, from \$261 billion in non-U.S. NATO spending in 2016 to an estimated \$299 billion this year.

Crucial American allies outside of Europe have also resisted Trump's appeals for burden sharing. Japanese and Australian military expenditures hover around one percent and two percent of GDP, respectively—roughly the same as in the pre-Trump era. South Korea did significantly increase its defense spending in 2018, when tensions flared on the Korean Peninsula. But as a percentage of GDP, South Korean defense spending has hardly shifted during Trump's tenure. Saudi Arabia's defense spending has decreased dramatically in recent years, from \$87.2 billion in 2015 to \$67.5 billion last year, and there is no evidence that Saudi reimbursements to the United States have increased during Trump's presidency.

With U.S. allies reluctant to chip in for defense, the Trump administration has been forced to foot most of the bill. Over the last three years, the United States has boosted defense spending by more than \$139 billion, from \$611 billion in 2016 to a near-record \$750 billion in 2019. And that was after Trump called the military budget "crazy" in 2018. By almost any measure, the president has left the United States more financially overstretched than when he took office.

## **NO END IN SIGHT**

Trump's self-professed dealmaking prowess was supposed to free the United States from costly foreign entanglements. Despite his claims to know more "than the generals do," however, Trump has yet to end any U.S. war—and his actions have squandered U.S. leverage in Afghanistan and Syria. After ripping up the Iran nuclear deal, he failed to replace it with anything, much less anything better. In early November, Iran announced that it would begin to enrich fissile material beyond the caps it agreed to in the agreement.

The president's controversial courting of Russian President Vladimir Putin proved similarly ineffective: arms control stalled and U.S.-Russian relations remained frosty, pushing Russia and China closer together. Whatever one thinks of Trump's outreach to North Korea, he has no durable concession or deal to show for it. In fact, North Korea has tested more missiles on Trump's watch than on Obama's. In short, the master dealmaker has come up empty again and again: not

only has Trump failed to end the United States' "forever wars" but his botched diplomatic efforts in Iran and North Korea have arguably made yet another war more likely.

Trump has been quick to blame these setbacks on "the deep state." The president is committed to retrenchment, according to this narrative, but his advisers and bureaucrats are blocking him. Yet the president has had no trouble forcing out legions of advisers who didn't perform as desired. Trump's preferences may be unstable, but he appears to get what he wants from his employees. A related defense trotted out by supporters of the president is that elected officials such as Senator Mitch McConnell have stymied Trump's retrenchment efforts. But apart from the Syrian retreat, which was a dispute over a small number of troops, Republicans have given the president sufficient support to pursue his foreign policy goals.

A more compelling explanation for the persistence of a large global U.S. military footprint, and the concomitant creep of overseas commitments, is to be found in domestic politics. Trump's rhetoric can diverge sharply from reality without consequence because few in his party have an incentive to hold him accountable. In this hyperpolarized political moment, most voters will stick with their party regardless of how many campaign pledges are broken or foreign policy initiatives end in failure. With an all-volunteer military, flattening taxes, and deficit financing, the vast majority of Americans are insulated from the costs of American foreign policy. So long as most Americans want to look tough and influential without paying for it, politicians won't be punished for living in the same fantasy world as voters. They can promise big changes, avoid making hard choices, and keep muddling along. That may be a way to get elected, but it is no way to run a superpower. 🌐

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# The Cost of an Incoherent Foreign Policy

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## Trump's Iran Imbroglio Undermines U.S. Priorities Everywhere Else

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*Brett McGurk*

JANUARY 22, 2020

Shortly after taking office, U.S. President Dwight D. Eisenhower gathered senior advisers in the White House solarium to discuss policy toward the Soviet Union. In attendance was his hawkish secretary of state, John Foster Dulles, who had been a vocal critic of Harry Truman's policy of containment and instead advocated an offensive policy whereby the United States would seek to "roll back" Soviet influence across Europe and Asia.

Afternoon light from the southern exposure would have contrasted with the darkening mood inside the White House. Diplomacy to end the Korean War was deadlocked. The United States was entering a nuclear arms race with the Soviet Union. Joseph Stalin was dead, but Eisenhower's calls for dialogue with Moscow had gone unanswered. Defense spending seemed unsustainable.

"The Reds today have the better position," Dulles argued. Containment was proving "fatal" for the West. (Dulles had recently fired career diplomat George Kennan, the author of that policy.) European allies were acting like "shattered old people," unwilling to face up to

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**BRETT MCGURK** served in senior national security positions under Presidents George W. Bush, Barack Obama, and Donald Trump. He is now the Frank E. and Arthur W. Payne Distinguished Lecturer at Stanford University's Freeman Spogli Institute and a Nonresident Senior Fellow at the Carnegie Endowment for International Peace.

Moscow. Eisenhower should break from his predecessor's shackles, Dulles concluded, and pursue a policy of "boldness" to more directly roll back the communist tide.

Eisenhower challenged Dulles's central assumptions. Dulles saw time as favoring Moscow, and so he demanded a more offensive strategy. Eisenhower saw time as favoring Washington, and so he thought a rollback policy could backfire. Unilateral moves, moreover, risked fragile alliances, which were Washington's comparative advantage against Moscow. "We cannot live alone," he told Dulles. "We need allies."

Rather than resolve this debate informally, Eisenhower tasked experts from across the U.S. government to develop and then debate in front of him at least three competing national strategies. Kennan himself, at Eisenhower's request, returned to defend containment.

Two months later, Eisenhower sat through a full day of briefings on the competing proposals, and he ultimately endorsed the essentials of Truman's design. What is now known as Project Solarium set the contours of a U.S. foreign policy that lasted for the next 35 years, and it helped avoid a direct military clash between Washington and Moscow.

"No president before or after Eisenhower," historian Robert Bowie wrote, "ever received such a systematic and focused briefing on the threats facing the nation's security and the possible strategies for coping with them."

## **THE ANTI-SOLARIUM PROJECT**

No president has lived up to the Project Solarium standard, but U.S. President Donald Trump has set a new one on the opposite side of the scale. The current White House runs a foreign policy with irreconcilable objectives, no internal coherence, and no pretense of gaming out critical decisions before they are taken. Maximalist objectives are set with little thought to what might be required to achieve them. When the real world intrudes, with adversaries, competitors, or allies pursuing their own objectives independent from the United States, Trump lurches from doubling down on risky bets to quitting the field altogether, as happened recently in Syria, leaving friends bewildered.

Nowhere is this incoherence more apparent than in policy toward Iran. On December 18, 2017, Trump signed his National Security Strategy, followed one month later by the National Defense Strategy. These documents set priorities among competing interests and direct U.S. departments and agencies to follow suit. Those the Trump administra-

tion issued emphasized a new “great-power competition” against Russia and China—with Asia now the priority region for U.S. engagement.

Much as his predecessor, President Barack Obama, had done, Trump sought to rebalance American priorities after two decades of overcommitment to the Middle East. Obama had intended to “pivot” from the Middle East to Asia. But the Arab uprisings beginning in 2010 led the United States to support maximalist goals in the Middle East, including the wholesale change of ruling regimes in Libya, Egypt, and Syria. The administration soon found that it lacked the means to manage the consequences of these policies, or, in the case of Syria, where removing President Bashar al-Assad was the declared policy, saw its stated objective outstrip any realistic American commitment. The rise of the Islamic State (ISIS) drew Washington back into the region militarily, but in a cost-effective manner, with limited risk to American personnel and a large coalition to share the burdens.

Those of us working on the Middle East following the adoption of Trump’s new National Security Strategy understood that we should not expect significant new resources, even for the military campaign against ISIS. In fact, resources would be cut. In early 2018, Trump eliminated long-planned stabilization funding for Syria, allocated military resources only where strictly necessary for defeating ISIS, and declared, “It’s time to come back home.”

And yet, despite these resource constraints and a supposed grand strategic shift toward Asia, the Trump administration *expanded* American aims across the Middle East—focusing above all on Iran. The administration stipulated that all Iranians must leave Syria, even as Trump himself made clear that he wanted to see all Americans leave Syria. Within months of endorsing the National Security Strategy, Trump unilaterally pulled out of the Iranian nuclear deal, increased sanctions on Iran, and embarked on a policy of economic strangulation—known as “maximum pressure”—with no objective on which his administration could agree.

Trump said that the objective was to ensure that Iran could never produce a nuclear weapon. His national security adviser at the time said that the objective was regime change. His secretary of state articulated 12 demands—among them, that Iran mothball its nuclear and missile programs, end support for proxy groups, and remove all militias from Iraq and Syria—that few Iran experts believed Tehran could meet absent regime change. In announcing these maximalist

goals, moreover, nobody in the administration discussed new resource commitments to the Middle East. To the contrary, the acting Secretary of Defense told the Pentagon that the priority was “China, China, China.” The Iran policy was all ends and no means.

The assumption that drove this resource-free policy was that economic pressure through sanctions would force Iran either to return to the negotiating table on its knees or to collapse altogether. A contrary assumption—that Iran would not return to the table but instead fight back asymmetrically and draw the United States deeper into the region—does not seem to have been seriously considered. On this contrary assumption, an approach consistent with the National Security Strategy would have entailed a longer-term plan. Washington might have contained Iran in concert with U.S. allies and sought to improve the nuclear deal rather than abandon it, for example, while imposing specific costs for other malign activities, such as advances in missile technology and support for proxy networks.

Over the first year of maximum pressure, Iran did not significantly react, leaving open the possibility that the optimistic assumption might hold. But in May of last year, Iran began to go after U.S. allies in the Gulf, first targeting shipping and then attacking Saudi Arabia’s oil facilities. The Trump administration appears to have been caught off guard, responding uncertainly to each Iranian action, whether by incrementally deploying U.S. military assets, issuing threatening tweets, or making a scattershot effort to gather a naval coalition to protect shipping lanes. These halting responses demonstrated a lack of forethought as to how Iran was likely to respond to the new policy. The more cautious assumption now seems correct.

Beginning this past October, Kataib Hezbollah (KH), an Iranian-backed militia in Iraq, began what senior U.S. military commanders called a “sustained campaign” of rocket attacks on Iraqi bases hosting American forces. These were the first such strikes that KH had undertaken in more than eight years. Having failed to anticipate Iranian reprisals against maximum pressure, the United States later failed to deter the assault or to act effectively once it began. Senior U.S. officials have even speculated that the lack of any American response to the earlier attacks in the Gulf may have encouraged the subsequent attacks on Americans in Iraq.

The violence escalated quickly. The 11th KH rocket attack killed an American contractor, in response to which the United States ordered

strikes that killed more than two dozen Iraqi militia members. KH and other militias then sought to storm the American embassy. In response, Trump called the strike on Qasem Soleimani, the head of Iran's expeditionary Quds Force, outside Baghdad's international airport. Iran then launched more than a dozen ballistic missiles, which appear to have barely missed American personnel in western Iraq. The chairman of the Joint Chiefs of Staff concluded that in his "professional assessment," the missiles were launched with intent to "kill personnel." The spokesperson for the U.S.-led coalition tweeted that "seemingly divine protection saved lives" during the missile attack. (A dozen Americans were reportedly evacuated for medical evaluation after the blasts.)

This cycle of actions and reactions has drawn nearly 20,000 additional U.S. military personnel back into the Middle East since May of last year. Washington appears to have narrowly avoided a significant conflict mainly because Iran's ballistic missiles narrowly missed American service members. Trump implausibly claimed that Iran was "standing down" the morning after it had fired over a dozen ballistic missiles at U.S. troops, and despite Tehran's having promised further reprisals.

No American official publicly forecast scenarios like this one when the maximum pressure policy began nearly two years ago. Economic pressure was supposed to enhance American leverage and make Iran more pliant going into new negotiations. Trump himself said he intended to end wars and move forces out of the Middle East region altogether. The unforeseen escalatory cycle is evidence of a policy not working as intended.

As for the aims the secretary of state listed two years ago, the maximum pressure policy is failing to achieve any of them. Iran is now behaving more provocatively, not less. It's stockpiling more enriched uranium, not less. It's spinning more centrifuges, not fewer, and continuing to support proxy groups in Iraq, Syria, Lebanon, and Yemen. Because Washington cannot point to any goal that the policy has advanced, it now touts economic pressure as an end in itself, as if the policy were designed simply to make Iran poorer, as opposed to changing Iran's nuclear and regional policies (all of which are now worse) for the better.

The policy justifications are increasingly circular: when Iran attacks U.S. interests in the Gulf, American officials claim that this shows "panicked aggression" due to economic pressure. When the attacks pause, American officials claim that they've "restored deterrence," at



least until the next attack, requiring further economic pressure and a bolstered U.S. military presence in the region. There seems to be no serious effort, either within the administration or in Congress, to measure the policy against the goals declared from its outset.

More sanctions are unlikely to change Iran's calculus. There are few historical examples of sanctions forcing the sort of sweeping changes that Washington now demands from Iran. Iran's malign activities also cost little (it spends approximately \$2 billion to \$3 billion per year on proxy groups throughout the region, according to the State Department). Its entire defense budget is a tiny fraction of what American allies like Saudi Arabia spend per year. Its population has long struggled economically, with per capita GDP historically one-seventh of Mississippi's, the nation's poorest state. And Tehran cares little for its citizens. (Its failure to close civilian air space when launching ballistic missiles against Americans in Iraq is the latest example of both malevolence and incompetence.) Iranians courageously protesting their ruling system deserve support, but revolutionary change from the bottom up is unlikely so long as the regime remains united from the top down with a monopoly of force and the proclivity to use it in the most brutal of ways. Worse, the maximum pressure campaign allows Tehran to externalize the blame for its dysfunction and to justify further crackdowns on Iranians striving for reform and accountability.

For all of these reasons, the record to date suggests that additional economic pressure will more likely result in counterpressure on Washington than in a better nuclear deal or significant changes in Iranian behavior and policies.

## **ROAD TO NOWHERE**

The strike on Soleimani brought U.S. policy contradictions to a head. Tehran has reacted by working to consolidate its grip internally. While Iran may not seek to provoke Washington into direct confrontation, it will likely continue its deniable attacks on American partners in the Gulf and step up political pressure on Iraq to eject U.S. military forces. The successful campaign against ISIS—a mission that brought nearly 20 Western partners into the Middle East to share costs and burdens with Washington—is suspended as coalition forces focus on protecting themselves against Iran. ISIS is under less pressure as a result. And a weak Iraqi government risks making the United States unable to stay in Iraq at all, an outcome that has long been Iran's ulti-

mate aim. If the United States and its Western partners leave, Russia will surely become Baghdad's great-power security partner—an irreversible setback for Washington with grave consequences for the people of Iraq and the broader region.

The Trump administration could respond to these new circumstances by declaring that the Middle East its first priority after all. It could take initiatives to strengthen its military and diplomatic position in Iraq and clarify that Washington will defend its Gulf partners. Doing so would formally and intentionally make Iran the organizing principle of Trump's entire foreign policy, as is happening now informally and unintentionally. Or the administration could de-escalate by opening a realistic path for diplomacy with Iran. According to France and other allies, the latter course would require the United States to outline clear and attainable demands while offering Iran some economic relief up front.

The continued application of maximum pressure absent recalibration in either direction, however, is an insolvent policy. Its unlimited ends misalign to limited means, and initiative rests dangerously in the hands of Tehran, which has a greater interest in its own survival than the United States does in forcing its demise.

Unfortunately, when Trump addressed the nation after Iran's missile attacks, he said nothing about Gulf partners exposed to reprisals. Nor did he mention the Iraqis. Nor did he declare any real American interests in the Middle East. "We are independent," he said, "and do not need Middle East oil." Nor did he suggest any serious initiative to de-escalate and reopen a diplomatic process with Iran.

The impression the president left was that the Soleimani strike was a tactical operation to protect Americans, not part of a strategic reorientation one way or the other. Trump asked NATO "to become much more involved in the Middle East"—something the alliance is unlikely to do, given that it acts only with the unanimity of 29 capitals, many of which blame Trump for the current crisis. Curiously, even as his administration imposed new sanctions to further suffocate Iran's economy and suspended its own fight against ISIS, Trump proposed that Iran and the United States "should work together" against ISIS.

This strategic muddle is the focus of discussion in regional capitals, as well as in Moscow and Beijing. Foreign leaders see Washington as pursuing maximalist policies under a minimalist president with no clear, let alone achievable, aims. Their shared assessment is that Iran can continue to harass U.S. friends in the Gulf, intrigue against the

U.S. presence in Iraq, and consolidate Assad's grip on Syria. So long as Tehran does not draw Americans into its fire, Trump will do little. If Americans *are* drawn into its fire, then risks of a major and uncontrollable conflict are extremely high. All with no serious prospect for diplomacy, which most view as a prerequisite for sustained de-escalation.

Such an assessment has drawn Saudi Arabia and the United Arab Emirates toward Russia and China—and even Iran—as hedges against a careening and uncertain Washington. In this respect, not only is the U.S. pressure campaign against Iran failing to achieve its stated aims but it is also benefitting the two great powers that the National Security Strategy is designed to confront.

Indeed, even where the policy has been effective in choking Iran's economy, it has done so at the cost of aggravating the very allies Washington needs if it is to sustain a competition against great-power rivals. The United States has increasingly imposed what are known as "secondary sanctions" on Iran. These constrain U.S. allies, including France, Germany, and the United Kingdom, as well as their private companies, from engaging in trade with Iran that is otherwise legal. Washington is effectively using its economic might to coerce allies into enabling a policy that those allies believe is self-defeating and unacceptably high-risk. This strong-arming may have lasting consequences for American stewardship of the global economy, which has long been based in part on the assumption that Washington would not weaponize the dollar's dominance in pursuit of purely unilateral aims. China and Russia are seeking to exploit these concerns by developing trading networks, including with India and Turkey, that avoid the net of American sanctions.

At bottom, Washington's policy today is defined by incoherence: maximalist ends, minimalist means, false assumptions, few allies, all pressure, no diplomacy. The Middle East in turn is stuck on an escalatory ladder, and Iran's proxy groups may prove even less predictable with Soleimani dead. By Trump's new standard, any attack that draws American blood may warrant an enormous retaliatory response. Yet with no diplomacy, plus additional sanctions, the risk that such an incident will occur—and the danger to Americans in the region—has only increased. And so the United States must maintain a significant military force forward and ready in the Middle East, even as its fight against ISIS has stalled and its guiding grand strategy calls for shifting resources out of the region altogether.

## **NEED TO CHOOSE**

It is too much to ask that the Trump administration embark on a Sollarium-like process to seriously review and resolve these internal contradictions. Major national security decisions made poolside at Mar-a-Lago, with no expert staff, are a far cry from Eisenhower's model. Given that we are all in this together, however, and with the stakes as high as another war in the Middle East, it is not too much to demand clarity on priorities and strategic orientation.

Right now, there is none: over the past month, the secretary of defense has said that his "priority theater" is Asia, consistent with the National Security Strategy, then weeks later said that he's prepared to "finish" a war with Iran should one start. Both statements cannot be true at once. To sustain a military posture sufficient to unilaterally "finish" a war with Iran—a country four times the size of Iraq, with nearly three times the population—requires that the priority theater remain the Middle East, not Asia.

Strategy is about choices, priorities, and resource allocation. If Iran is now the priority, then Washington will need to recommit to the Middle East, strengthen its military and diplomatic position in Iraq and elsewhere, and make clear that it's prepared to defend Gulf partners from Iranian reprisals. If Asia is the priority, however, then Washington cannot credibly pursue what is effectively a regime change policy toward Iran. Beijing views what it considers a myopic American focus on Iran as a strategic asset, because it deflects attention from the Pacific, divides Washington from its allies, and allows China, together with Russia, to expand its influence across the Middle East. Beijing and Moscow now enjoy close relations with all countries in the region, from Israel to Saudi Arabia to Iran, and those capitals now see Putin—not Trump—as an indispensable power broker.

The administration lacks a process to resolve these contradictions, but Congress can force them into the open. Even after four decades of hostilities, Congress has never authorized the use of military force against Iran. But Trump's maximum pressure campaign now requires the continuing threat of such force. With economic tools largely exhausted, Iran promising further reprisals, and no prospects for diplomacy, the United States must retain a significant military force in the Middle East region with a credible threat to use it. To deploy thousands of American troops to the Middle East while preparing contingencies to "finish" a possible war with Iran, moreover, begins to impinge on the

constitutional prerogatives of Congress. Recent polling shows that most Americans want Congress to reassert its war-making authority.

There is no reason to avoid this debate until the next inevitable crisis, or to keep it behind closed doors hidden from the American people. If the Trump administration truly believes that the United States must be in a position to finish a war with Iran, then it should make the case to Congress and seek its authorization. Even the administration would gain by being forced to clarify its objectives, the means for achieving them, and the metrics by which it should be held accountable.

### **CHOICE, NOT CHANCE**

Reflecting on his years in office, Eisenhower observed, “We kept the peace. People ask how it happened—by God, it didn’t just happen!”

Through Project Solarium and then weekly National Security Council sessions, Eisenhower guided American foreign policy with deliberation, humility, and the careful alignment of ends and means. Trump, by sharpest contrast, appears for the moment to have avoided a serious conflict in the Middle East by dint of luck—because Iran’s ballistic missiles landed near but not on top of brave Americans sheltering on an air base in western Iraq. Foreign relations will always contain some element of chance, but the mark of a leader is to ensure that chance alone cannot draw the country into a military conflict that nobody wants.

The current crisis in the Middle East should be a moment to demand a return to the most basic principles of sound foreign policy, with clarity in objectives and the alignment of resources necessary for achieving them. Objectives that cannot be met absent unacceptable tradeoffs, costs, or risks should not be pursued. Americans can welcome Soleimani’s demise. He was a terrorist with blood on his hands. At the same time, they can rightly demand a coherent foreign policy guided by deliberative choice rather than gambles and fortune. 🌐

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# The Overmilitarization of American Foreign Policy

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The United States Must Recover the Full Range of Its Power

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*Robert M. Gates*

JULY/AUGUST 2020

**U**.S. President Donald Trump's decision to go it alone in responding to the coronavirus pandemic is but the latest manifestation of the United States' waning global leadership. Even before the virus struck, there was broad bipartisan agreement that Washington should reduce its commitments abroad and focus on problems at home. The economic and social toll of the pandemic will only reinforce that position. Many Americans—and not just the president's supporters—believe that the United States' allies have taken advantage of the country. They think that the costs associated with international leadership have been too high. They have lost patience with endless wars and foreign interventions.

The United States remains the most powerful country in the world, in both economic and military terms. Yet nearly three decades since its victory in the Cold War and the collapse of the Soviet Union, it faces challenges on multiple fronts. China and Russia are strengthening their militaries and seeking to extend their influence globally. North Korea poses an increasingly sophisticated nuclear threat in East

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**ROBERT M. GATES** was U.S. Secretary of Defense from 2006 to 2011. This essay is adapted from his forthcoming book *Exercise of Power: American Failures, Successes, and a New Path Forward in the Post-Cold War Period* (Knopf, 2020).

Asia, and Iran remains a determined adversary in the Middle East. After 19 years of war, thousands of U.S. troops remain in Afghanistan and Iraq, and the Islamic State (or ISIS) continues to conduct terrorist attacks. Deep divisions have beset the United States' strongest allies in Europe. And now, nearly every country on earth is grappling with the devastating consequences of the pandemic.

Without a return of U.S. leadership, these challenges will only grow, moving us closer to a dog-eat-dog, might-makes-right world and further from one shaped by international cooperation and the peaceful resolution of differences. But such a return would depend on first addressing the fundamental flaws in U.S. foreign policy since the end of the Cold War. Washington has become overly dependent on military tools and has seriously neglected its nonmilitary instruments of power, which have withered and weakened as a result. And it has attempted to develop and implement policy using a national security structure and bureaucracy that was designed for the Cold War and has changed remarkably little since the 1940s. Without greater military restraint and far-reaching institutional restructuring and reform, U.S. politicians and policymakers will have an increasingly hard time persuading Americans to support the global leadership role so essential to protecting the security and economy of the United States. And without American leadership, there will be truly dark days ahead.

## **RESTORING BRAIN TO BRAWN**

A strong military underpins every other instrument of American power, and so every president must ensure that the U.S. military is the strongest and most technologically advanced in the world, capable of dealing with threats from both nonstate actors and great powers. Fulfilling that responsibility will become ever more difficult as the pandemic pushes the government toward curbing defense spending.

As essential as it is to build and maintain a strong military, it's just as—or more—important to know when and how to use it. When facing a decision of whether to use the military, presidents must better define the objective. What are troops expected to do, and are the resources adequate for the mission? If the mission changes, as it did in Somalia under President Bill Clinton (from famine relief to peace-making and improving governance) and in Iraq under President George W. Bush (from toppling Saddam Hussein to occupation, fighting an insurgency, and nation building), is there a commensurate

change in the resources applied? Is there a mismatch between U.S. aspirations and U.S. capabilities, as in Afghanistan?

Finding the right answers to these questions has proved difficult in recent decades. The objective of any military intervention must be clear, and the strategy and resources committed must be adequate to fulfill the objective. Sensitive to domestic politics, presidents sometimes are tempted to use just enough military force to avoid failure but not enough to achieve success. Such an approach is not only strategically unwise but also immoral. The lives of American men and women in uniform must not simply be thrown at a problem and squandered in halfhearted or impulsive efforts. In the use of military force, the words of Yoda from *Star Wars* apply: “Do. Or do not. There is no try.”

Presidents must be especially wary of mission creep, the gradual expansion of a military effort to achieve new and more ambitious objectives not originally intended. Often, once they have achieved the established objectives, leaders feel emboldened to pursue broader goals. Such overreach is what happened under Clinton after the United States sent troops into Somalia in 1993 to forestall humanitarian disaster and after it overthrew the military dictatorship in Haiti in 1994, and it is what happened under Bush after the United States toppled the Taliban in Afghanistan in 2001 and Saddam in Iraq in 2003.

Intervention to prevent the slaughter of innocent civilians became one of the more frequent reasons for the use of force after the end of the Cold War. But such conflicts raise thorny questions of their own. Before intervening militarily, leaders must assess whether core U.S. interests are really threatened, how realistic the objectives are, the willingness of others to help, the potential human and financial costs of intervention, and what might go wrong when U.S. troops hit the ground. These are hard questions, but they must be addressed with eyes wide open. The bar for the use of the U.S. military for purposes short of protecting vital national interests should be very high.

Some on the left are convinced that the United States should intervene to safeguard civilians, as in Libya, Sudan, and Syria. Some on the right advocate the use of force against China, Iran, or North Korea or want to provide large-scale military assistance to Ukraine or to the opposition in Syria. A president who ignores one or the other camp is considered either morally bereft or a wimp.

The consequences of an insufficiently planned military intervention can be devastating. Take, for example, the U.S. intervention in



Libya in 2011, which I opposed. Once President Barack Obama decided to go in, the administration made two strategic mistakes. The first was agreeing to expand the original NATO humanitarian mission from simply protecting the people of eastern Libya against the forces of Libyan President Muammar al-Qaddafi to toppling the regime. NATO could have drawn a proverbial line in the sand somewhere between the capital, Tripoli, and the eastern city of Benghazi; a no-fly zone and attacks on Qaddafi's ground forces could have protected the rebels in the East without destroying the government in Tripoli. Under those circumstances, perhaps some kind of political accommodation could have been worked out.

As I said at the time, Qaddafi had given up his nuclear program and posed no threat to U.S. interests. There is no question he was a loathsome and vicious dictator, but the total collapse of his government allowed more than 20,000 shoulder-fired surface-to-air missiles and countless other weapons from his arsenal to find their way across both Africa and the Middle East, sparked a civil war in 2014 that plunged Libya into years of turmoil, opened the door to the rise of ISIS in the country, and created the opportunity for Russia to claim a role in determining Libya's future. The country remains in a shambles. As happened in Somalia, Haiti, Afghanistan, and Iraq, expanding the U.S. military mission in Libya beyond the original objective created nothing but trouble.

The second strategic mistake was the Obama administration's failure to plan in any way for an international role in reestablishing order and a working government post-Qaddafi. (This is ironic in light of Obama's earlier criticism of Bush's alleged failure to plan properly for a post-Saddam Iraq.) Drawing on nonmilitary tools, the government could have taken a number of useful steps, including sending a U.S. training mission to help restructure the Libyan army, increasing the advisory role of the UN Support Mission in Libya, helping design a better electoral system that would not have inflamed social and regional divisions, and restraining Egypt and the Gulf states from their meddling in the lead-up to and after the outbreak of the 2014 civil war.

The United States did provide limited assistance to Libya after Qaddafi fell, much of it for treating victims of the fighting and locating weapons stockpiles. A September 2012 Wilson Center report suggested 30 different nonmilitary U.S. programs to help Libya, focusing on areas such as developing a new constitution, building a transparent judicial

system, improving financial governance, promoting economic growth, and improving chemical weapons security and destruction. But the U.S. government never put together sufficient funding for these measures, even though their estimated cost, according to the Wilson Center, for the three years between the intervention in 2011 and the beginning of the civil war in 2014 was \$230 million. By comparison, the cost of U.S. military operations in Libya between March and October 2011 was about \$1 billion. If ever there was a mismatch between the importance of the nonmilitary mission and its available funding, this was it.

There were a number of nonmilitary ways in which the United States (and its allies) might have been able to stop the fighting and help stabilize Libya in the summer and fall of 2011. But there was no plan, no funding, and no desire. Washington's use of nonmilitary instruments of power, as so often after the Cold War, was hesitant, inadequately funded, and poorly executed. The NATO-Arab coalition bombed Libya and then just went home, leaving Libyans to fight over the ruins and thus creating another source of instability in the region and a new base for terrorists. Obama himself supplied the harshest judgment about the intervention, characterizing the failure to plan for a post-Qaddafi Libya as the worst mistake of his presidency.

## **THE ENTIRE ARSENAL**

What is so striking about the overmilitarization of the period following the Cold War is just how much U.S. policymakers failed to learn the lessons of the seven previous decades. One of the United States' greatest victories of the twentieth century relied not on military might but on subtler tools of power. The Cold War took place against the backdrop of the greatest arms race in history, but there was never actually a significant direct military clash between the two superpowers—despite proxy wars in Korea, Vietnam, and elsewhere. Indeed, most historians calculate that fewer than 200 U.S. troops died due to direct Soviet action. Because nuclear weapons would have made any war between the two countries catastrophic for both sides, the U.S.-Soviet contest was waged through surrogates and, crucially, through the use of nonmilitary instruments of power.

Most of those instruments have withered or been abandoned since the end of the Cold War. But as the great powers today expand and modernize their militaries, if the United States is smart, and lucky, the long competition ahead with China, in particular, will

play out in the nonmilitary arena. Those nonmilitary instruments must be revived and updated.

Like a strong military, diplomacy is an indispensable instrument of national power. For many years now, Congress has starved the State Department of sufficient resources (except for brief periods under the George W. Bush administration), and the White House has often sidelined the agency and failed to support its budgetary needs. The State Department's critics, including those inside the department, are right that the organization has become too bureaucratic and requires far-reaching reform. Still, any effort to strengthen the United States' nonmilitary toolkit must position a stronger State Department at its core.

The United States' economic power offers further nonmilitary means of courting partners and pressuring rivals. After World War II, the United States presided over the creation of institutions designed to strengthen international economic coordination largely on American terms, including the International Monetary Fund and the International Bank for Reconstruction and Development (later part of the World Bank). Throughout the Cold War, the United States was a principal advocate for free trade and a more tightly knit global trading system.

Attitudes changed, however, in the early 1990s. It became increasingly difficult to get Congress to approve free-trade agreements, even when they were negotiated with friendly countries such as Canada and Mexico. U.S. presidents came to see economic power mainly as an instrument to mete out punishment. Since the end of the Cold War, Washington has applied economic sanctions—mostly in the form of targeted trade and financial restrictions—against dozens of countries in an effort to alter their behavior. Trump, in particular, has been hostile to nearly all multilateral organizations and has weaponized U.S. economic power, starting tariff wars with both allies and rivals.

The Trump administration has also tried to slash foreign aid. Such assistance remains a useful tool, even though the public has always been skeptical of spending money abroad rather than at home. With little popular support, the U.S. Agency for International Development has shrunk since the end of the Cold War. When I retired as director of the CIA, in 1993, USAID had more than 15,000 employees, most of them career professionals, many working in developing countries in dangerous and inhospitable environments. When I returned to government as secretary of defense, in 2006, USAID had been cut to about 3,000 employees, most of whom were managing contractors.

In shrinking USAID, the United States unilaterally gave up an important instrument of power. By contrast, China has been especially adept at using its development projects to cultivate foreign leaders and buy access and influence. Its boldest gambit on this front has been the Belt and Road Initiative, which in 2019 encompassed projects in 115 countries with an estimated cost of over \$1 trillion.

Another casualty of the collapse of the Soviet Union was the U.S. Information Agency and the United States' overall strategic communications capabilities. During the Cold War, the USIA established a global network of libraries and outposts stocked with books and magazines about democracy, history, American culture, and a broad array of other subjects. The agency's Voice of America broadcast news and entertainment around the world, presenting an objective view of current events to millions who would otherwise have been dependent on government-controlled outlets. The USIA and its many outlets and programs reached every corner of the planet. It was a sophisticated instrument, and it worked.

Nevertheless, the USIA was abolished in 1999, with its residual efforts folded into the State Department. That had real consequences. By 2001, U.S. public diplomacy was a pale shadow of its Cold War self. Unlike China and Russia, the United States now lacks an effective strategy for communicating its message and countering those of its competitors.

Governments have always tried to interfere in other countries' affairs. What is new today is the availability of technology that makes earlier tools seem prehistoric. Russia, for example, mounted sophisticated hacking and disinformation campaigns to interfere in the 2016 Brexit vote in the United Kingdom, the 2016 presidential election in the United States, and the 2017 presidential election in France. The United States possesses the same the technologies; it just lacks a strategy for applying them.

Cyberwarfare has become one of the most powerful weapons in a nation's arsenal, giving countries' the ability to penetrate an adversary's military and civil infrastructure, interfere with democratic processes, and aggravate domestic divisions. The Russians are particularly skilled in this arena, having launched cyberattacks against Estonia, Georgia, Ukraine, and others. The United States is developing the capability to defend itself against cyberattacks, but it also needs to take the offensive from time to time, especially against its primary adversaries. Authoritarian governments must get a taste of their own medicine.

## **TIME FOR RENOVATIONS**

U.S. policymakers have many nonmilitary tools at their disposal. But those tools will remain inadequate for the challenges ahead if Washington does not overhaul its outdated national security apparatus. The current structure, established by the National Security Act of 1947—which created the Department of Defense, the U.S. Air Force (as a separate military service), the CIA, and the National Security Council (NSC)—has outlived its usefulness. Under the current structure, for example, there is no formal place at the table for any of the departments or agencies overseeing international economic policies. Presidents have routinely invoked a “whole-of-government approach” to tackle problems, suggesting that all relevant departments and agencies will bring their vast resources to bear in a shared effort. But apart from when it involves military matters, this collective action is largely smoke and mirrors. The government in fact has little ability to orchestrate all its instruments of power.

The State Department should be the central nonmilitary instrument of U.S. national security policy. Although the State Department and USAID traditionally have been staffed by some of the most talented people in government, in organizational terms, the two entities are nightmares. The State Department has a stultifying bureaucracy that frustrates its best people and greatly impedes its agility. It doesn't always allocate its resources well—for instance, it still has too many people in comfortable postings such as Berlin, London, Paris, and Rome and not nearly enough in Ankara, Beijing, Cairo, or New Delhi or in the capitals of other key developing countries. The bureaucratic culture stifles creativity, which explains why more than a few secretaries of state have, for all practical purposes, walled themselves off from the professionals in the department. To gain strength, the State Department must reform the way it recruits and trains people and change its culture so as to attract young independent thinkers. The State Department needs a dramatic bureaucratic restructuring and cultural shakeup—and then significantly more funding and personnel.

A restructured and strengthened State Department would serve as the hub for managing all the spokes of the government involved in directing nonmilitary resources to address national security problems. A good example of how this might work is George W. Bush's project to combat HIV/AIDS in Africa, in which a number of agencies had a role to play but the president empowered a single officer in the State

Department to control the budget and coordinate all the agencies in an effective campaign. Some might argue that the NSC and its staff should play this role. Having worked on the NSC staff under four presidents, I disagree. The kind of integration and centralization needed must involve day-to-day management and operational and budgetary integration and coordination—endeavors beyond the capabilities and writ of the NSC.

Successive U.S. presidents have been frustrated by the inadequacies and failures of USAID. That was one reason why Bush established the Millennium Challenge Corporation in 2004 as a separate entity, to provide assistance that would reward countries that were “ruling justly, investing in their people, and encouraging economic freedom.” Even if the MCC doesn’t take over all U.S. development assistance efforts, as some conservatives have called for, the principles it uses to guide the selection of recipient countries and projects ought to be adopted more broadly. If the recipients of American aid were subjected to greater vetting, particularly when it comes to their values and attitudes toward the United States, then Congress might prove more willing to support such programs. Self-interest in apportioning scarce resources for development would not be a sin (although the United States must continue to offer humanitarian assistance after natural disasters or emergencies wherever it is needed).

Reviving and restructuring U.S. development assistance is all the more urgent in light of China’s Belt and Road Initiative and its other efforts to bring developing countries into its orbit. The establishment, in 2019, of the U.S. International Development Finance Corporation, an independent government agency that helps finance private-sector investment in development projects was a good start to expanding U.S. efforts to encourage private investment in developing countries. China may be able to loan billions of dollars to countries, but the United States has a vastly more powerful private sector that can not only invest in but also select economically viable projects that will truly serve the long-term interests of the recipient countries. The United States is well practiced in the art of economic punishment, but it needs to get a lot smarter about using economic tools to win over other countries.

In the United States’ nonmilitary competition with China and Russia, U.S. officials also need to look at how to reform the alliances and international organizations Washington helped create to make them

better serve U.S. objectives today. When it comes to NATO, for example, the United States should keep pressuring other members to spend more on defense but also help allies find ways to collaborate in modernizing their military capabilities. The International Monetary Fund and the World Bank also merit a hard look. There is no reason to leave them, but the United States should be aggressive in making sure that they serve U.S. interests and that they are operating effectively and fairly.

In addition, if the United States wants to compete effectively with authoritarian governments, it will have to overhaul its public messaging. The current effort is an embarrassment. Many entities have a hand in strategic communications, including the White House, the State Department, the Defense Department, the Treasury Department, the CIA, and the U.S. Agency for Global Media, but for the most part, each goes its own way. The result is many lost opportunities. The United States has failed to appeal to the nationalist sentiments of people in Europe and elsewhere to resist Chinese and Russian efforts to interfere in the internal affairs of their countries. U.S. policymakers have also done a lousy job communicating to the rest of the world the scale and impact of U.S. development assistance and humanitarian assistance programs, including programs that have benefited people ruled by enemy governments. Who knew, for example, that in 1999, during the North Korean famine, the United States provided more food aid than the rest of the world combined and three times what China offered? The United States needs to trumpet its foreign aid, to act less like a monastic order and more like Madison Avenue.

What's needed is a new top-level organization—akin to the USIA on steroids and located within the State Department but empowered by the president—to enable consistent strategic communication using all available venues. It would oversee all traditional and electronic messaging, including social media, and all public statements and other communication efforts by other parts of the U.S. government relating to foreign policy.

### **THE FULL SYMPHONY OF AMERICAN POWER**

Strengthening the nonmilitary tools of U.S. foreign policy would advance U.S. national interests and create new, more cost-effective, and less risky ways to exercise American power and leadership internationally. Americans want the strongest military in the world, but they

want it used sparingly and only when vital national interests are at stake. Across the political spectrum, there is a belief that post-Cold War presidents have turned too often to the military to resolve challenges abroad. The United States must always be prepared to defend its interests, but in order to revive domestic support for the United States' global leadership role, U.S. leaders must exercise greater restraint in sending the world's finest military into combat. It should not be the mission of the U.S. military to try to shape the future of other countries. Not every outrage, every act of aggression, every oppression, or every crisis should elicit a U.S. military response.

Finally, most Americans want their country to stand for something beyond just military strength and economic success. They want it to be seen admiringly by others as the world's strongest advocate for liberty. In formulating a foreign policy that the American public will support, U.S. leaders should recognize that it is important to use every nonmilitary instrument of power possible to encourage both friends and rivals to embrace freedom and reform, because those objectives serve the U.S. national interest. With restructuring and more resources, Washington's nonmilitary instruments can contribute to a remarkable symphony of power. These tools will be essential as the United States faces the prospect of a long and multifaceted competition with China. But even if U.S. officials get all the right military and nonmilitary tools in place, it will still be up to American leaders, American legislators, and the broader American public to understand that the long-term self-interest of the United States demands that it accept the burden of global leadership. 🌐





# **THE DECLINE OF MULTILATERALISM**

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# After Credibility

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## American Foreign Policy in the Trump Era

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*Keren Yarhi-Milo*

JANUARY/FEBRUARY 2018

“**B**elieve me.” U.S. President Donald Trump has used that phrase countless times, whether he is talking about counterterrorism (“I know more about ISIS than the generals do. Believe me”), building a wall along the U.S.-Mexican border (“Believe me, one way or the other, we’re going to get that wall”), or the Iran nuclear deal (“Believe me. Oh, believe me. . . . It’s a bad deal”).

Trump wants to be taken at his word. But public opinion polls consistently indicate that between two-thirds and three-quarters of Americans do not find him trustworthy. The global picture is no better. Most citizens of traditional U.S. allies, such as Australia, France, Germany, Japan, Jordan, Mexico, South Korea, and the United Kingdom, say that they have no confidence in the U.S. president.

In other words, Trump suffers from a credibility gap. This is, perhaps, unsurprising. According to *The New York Times*, Trump said something untrue every day for the first 40 days of his presidency. His actions speak even louder. Trump has sown doubt about some of the United States’ oldest and most important commitments, such as its support for NATO—an alliance Trump described as “obsolete” in January,

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**KEREN YARHI-MILO** is Assistant Professor of Politics and International Affairs at Princeton University and the author of the forthcoming book *Who Fights for Reputation? The Psychology of Leaders in International Conflict*.

before declaring it “no longer obsolete” in April. He has flip-flopped on policy positions, publicly undermined the efforts of members of his own administration, and backpedaled on diplomatic agreements, including the Paris climate accord and the Iran nuclear deal.

The United States does not derive its credibility from the words of the executive alone, but Trump’s behavior carries consequences. As the president undermines the nation’s credibility at home and abroad, allies will hesitate to trust American promises, and U.S. threats will lose some of their force. The risks of deadly miscalculation will increase. And to demonstrate its resolve, the United States may need to take more costly and extreme actions. Other sources of credibility, such as American military prowess and a general faith in U.S. institutions, may mitigate some of the damage wreaked by Trump. But there is no substitute for a president whose words still matter.

### **YOUR REPUTATION PRECEDES YOU**

The Nobel laureate and nuclear strategist Thomas Schelling once wrote that “face is one of the few things worth fighting over.” For much of the twentieth century, policymakers believed that their own credibility was essential to making threats believable and to reassuring allies and adversaries alike that they could trust U.S. commitments. In the 1950s, for example, the United States entered the Korean War in part to demonstrate its resolve to actively counter the Soviet Union. A similar concern about reputation kept U.S. troops in Vietnam long after policymakers had concluded that the United States was losing the war. In the post–Cold War era, most American leaders have considered credibility essential to the task of maintaining the U.S. alliance system and the postwar liberal order. Such thinking played a role in U.S. interventions in Haiti, Kosovo, and Iraq. The rationale for these interventions varied, as did their outcomes, but in each case, leaders backed their words with action.

In international politics, an actor’s credibility is tied to its reputation, a characteristic that political scientists generally split into two varieties. What Robert Jervis calls “signaling reputation” refers to an actor’s record of carrying out threats or fulfilling promises. “General reputation,” on the other hand, refers to a broader range of attributes, such as whether an actor is cooperative or sincere. These two forms of reputation can affect each other: for example, sustained damage to a state’s signaling reputation may erode its general reputation for trust-

worthiness. However, a country's general reputation can also be distinct. Before the Korean War, for example, the United States had made no specific commitment to South Korea. Choosing to intervene, therefore, did not affect the United States' signaling reputation but may have contributed to a general reputation for resolve.

Context can also affect credibility. For example, a president may not be perceived as trustworthy when he makes assurances to allies but may still be considered credible when he threatens military action. Or he may be seen as trustworthy on social or economic issues but not on foreign policy. Sometimes, a president's credibility at home can affect his credibility abroad. In 1981, U.S. President Ronald Reagan followed through on his threat to fire more than 11,000 air traffic controllers after they had violated federal law by going on strike. A number of policymakers and observers—including George Shultz, who became U.S. secretary of state the following year, and Tip O'Neill, then Speaker of the House—reported that this move had significant, if unintentional, consequences for U.S. foreign policy: the Soviets learned that Reagan didn't bluff.

Some scholars are skeptical that reputations matter. The political scientist Daryl Press argues that credibility has nothing to do with a leader's record of following through on threats. Instead, adversaries evaluate the balance of military capabilities and the interests at stake. Press argues that during the Cuban missile crisis, for example, members of the Kennedy administration viewed Soviet Premier Nikita Khrushchev's threats as highly credible, even though Khrushchev had repeatedly backed down on his ultimatum that Western forces withdraw from West Berlin. In Press' view, Khrushchev's credibility stemmed not from his signaling reputation but from Washington's view of the nuclear balance of power and Soviet interests. Similarly, the political scientist Jonathan Mercer argues that, historically, backing down from a threat has not led countries to develop a reputation for weakness among adversaries, and standing firm has not led to a reputation for resolve among allies.

The empirical evidence these scholars have gathered is important. But their view by no means represents the scholarly consensus. According to the political scientists Frank Harvey and John Mitton, for example, a reputation for following through on threats significantly increases a state's coercive power. Focusing on U.S. interventions in Bosnia, Kosovo, and Iraq, they show that adversaries studied what the

United States had said and how it had behaved in comparable situations to infer its resolve and to predict its likely actions. My work with the political scientist Alex Weisiger has shown that countries that have backpedaled in past crises are much more likely to be challenged again, whereas countries with good reputations for resolve are much less likely to face military confrontations. Other studies have documented how states that break their alliance commitments develop a reputation for being unreliable and are less likely to earn trust in the future. A good reputation, this body of work demonstrates, remains crucial for successful diplomacy.

### **BAD REPUTATION**

Unfortunately, the reputation of the U.S. presidency has eroded in recent years. Trump deserves much of the blame—but not all of it. The United States' signaling reputation began to decline in the summer of 2013, after Syrian President Bashar al-Assad breached U.S. President Barack Obama's "redline" on chemical weapons. In August 2012, Obama had stated that the mobilization or use of these weapons would "change [his] calculus" on Syria, a remark that many interpreted as a threat of military action. In August 2013, Assad launched a series of sarin gas attacks against rebel strongholds, killing 1,400 Syrians. Yet instead of responding with military strikes, Obama agreed to a Russian-brokered deal in which Assad pledged to dismantle his arsenal of chemical weapons.

In an interview with *The Atlantic's* Jeffrey Goldberg, Obama defended his decision by saying that "dropping bombs on someone to prove that you're willing to drop bombs on someone is just about the worst reason to use force." But this was a straw man. Few analysts were suggesting that Obama should pursue a bad policy solely on reputational grounds; however, there are political and strategic costs when the president makes a promise and then fails to act. If Obama had not intended to follow through on his threat, he should not have issued it in the first place. And ultimately, the diplomatic solution did not work: Assad has continued to use chemical weapons.

Regardless of whether they supported or opposed Obama's decision not to intervene more forcefully in Syria, Republicans and many Democrats believed that the redline episode had damaged the country's credibility. Hawks argued that to restore the United States' reputation for resolve, Washington should be more willing to use military

force. But this was a misleading, and potentially dangerous, assessment of what needed fixing in U.S. foreign policy after Obama's departure. Credibility requires consistency, not belligerency. The next president could have repaired the damage by demonstrating the integrity of American assurances and threats.

Instead, Trump has complicated the situation by showcasing both toughness, which may have some strategic advantages, and impulsivity, which undermines his credibility. By bombing Syria, reengaging in Afghanistan, and applying more pressure on North Korea, Trump may have gained a general reputation for resolve and conveyed that he is more comfortable using military force than his predecessor. Yet the president's track record of flip-flopping on key campaign pledges, his bizarre and inaccurate outbursts on Twitter, his exaggerated threats, and his off-the-cuff assurances have all led observers to seriously doubt his words.

The list of Trump's inconsistencies is long. After winning the 2016 race but before taking office, Trump spoke by phone with Tsai Ing-wen, the president of Taiwan. This represented a major breach of protocol; in order to avoid angering China, no U.S. president or president-elect had spoken to the leader of Taiwan since 1979, when the United States broke off diplomatic relations with the island. After the call, Trump declared that he was considering abandoning the "one China" policy, the foundation of the U.S.-Chinese relationship for the past four decades. But in February 2017, he reconsidered and decided to uphold the policy after all. During the campaign, Trump threatened to launch a trade war with China and pledged to label Beijing a currency manipulator. He also implied that the United States should abandon its commitment to nuclear nonproliferation, suggesting that Japan and South Korea should develop their own nuclear weapons. He has subsequently backtracked on all these positions.

The ongoing crisis with North Korea is the latest manifestation of the same pattern. At the beginning of his presidency, Trump described the North Korean leader Kim Jong Un as a "smart cookie" and said that he would be "honored to meet him." He has subsequently taken to referring to Kim as "Little Rocket Man," and in September, he threatened to "totally destroy" North Korea.

In other instances, Trump may have upheld his own signaling reputation at the country's expense. For example, Trump followed through on a campaign promise when he decided not to certify the Iran nuclear deal in October. Because he demonstrated consistency, this deci-

sion may have bolstered his personal signaling reputation. But by reneging on a formal U.S. commitment without presenting evidence that Iran was not abiding by the treaty, Trump also imperiled the general reputation of the United States. Such a move could undermine Washington's diplomatic clout in future negotiations. If other countries believe that American political commitments cannot survive a transition of power, they will be less likely to make significant or painful concessions. Trump's earlier decision to withdraw from the Paris climate agreement presented a similar problem. Of course, any American president who wishes to change the status quo must wrestle with the dilemma of how to keep his own promises without jeopardizing the credibility of his country. But it is unclear that Trump has any concern for the larger reputational consequences of his decisions.

### **RATIONAL IRRATIONALITY?**

Some in Trump's circle claim that there is a brilliant strategy underpinning his erratic behavior and that the president understands the ramifications of his unsteady public posture. According to this view, Trump's seemingly irrational statements are part of a calculated strategy to make adversaries think that he is crazy. In September, for example, Trump told his trade representative to intimidate South Korean negotiators. "You tell them if they don't give the concessions now, this crazy guy will pull out of the deal," Trump said, according to *Axios*, referring to the U.S.–South Korean free-trade agreement. When it comes to North Korea, the logic is simple: if Trump can convince Kim that he is irrational, and therefore willing to accept the steep costs of a military confrontation, then he might scare the North Korean leader into capitulation.

Trump would not be the first U.S. president to attempt this strategy, which scholars call "the madman theory," or "the rationality of irrationality." During the Vietnam War, President Richard Nixon reportedly asked his national security adviser, Henry Kissinger, to tell the Russians and the North Vietnamese that he was unpredictable and might even use nuclear weapons in Vietnam. But they saw through Nixon's bluff, and the gambit failed. The first rule of playing the madman game is to never publicly state that you are playing the madman game. Trump has done just that. Pursuing this approach will only make him appear unsophisticated and immature.

Another explanation that Trump's defenders have offered is that the president purposefully creates ambiguity in order to keep adver-

saries off balance. During the campaign, Trump said that he would not “broadcast to the enemy exactly what my plan is.” It’s certainly true that when carefully crafted and consistently implemented, ambiguous statements can offer strategic benefits, such as allowing leaders to speak to multiple audiences, who may have opposing interests, without alienating any of them. But Trump’s statements are not strategically ambiguous; in fact, they are generally quite clear. The problem is that they are inconsistent. The impulsive tone and the fact that some of his statements are communicated via Twitter in the middle of the night further reduce their credibility.

When asked to account for Trump’s behavior, some of his supporters have even suggested that the president’s words should not be taken literally. The Trump adviser Kellyanne Conway told CNN’s Chris Cuomo that the president should be judged based on “what’s in his heart” rather than “what’s come out of his mouth.” U.S. allies, faced with the daunting task of discerning what lies in Trump’s heart, are unlikely to find this advice reassuring.

### **CREDIBILITY COUNTS**

It is possible that the American public and the rest of the world have already gotten used to Trump’s unpredictable statements and contradictory tweets. In some cases, his reputation for not living up to his word may even be reassuring: the world knows that he is unlikely to follow through on some of his more disturbing pronouncements, such as his threat to “totally destroy” North Korea. But this is small comfort. What happens when his word really needs to count? How can the United States deter adversaries and reassure allies in the next crisis when the president cannot be trusted to credibly communicate U.S. intentions?

Optimists argue that Trump will eventually learn the importance of keeping his word. In this view, Trump’s inconsistency results from his lack of experience, especially when it comes to foreign policy. On occasion, Trump himself has admitted this. Trump criticized China for failing to restrain North Korea but then reversed himself after speaking about it with Chinese President Xi Jinping. “After listening for 10 minutes, I realized it’s not so easy,” Trump told *The Wall Street Journal*. Similarly, the president changed his stated positions on the U.S. war in Afghanistan, Russia’s meddling in the 2016 election, and U.S. policy in Syria after he was elected, presumably because he had learned more about those issues.



It is not unusual for a president's views on foreign policy to evolve in office. But what is disturbing about Trump's process of learning is that his new views remain as fluid as his old ones, and they do not appear to emerge from thoughtful reevaluation and reflection. Instead, they appear to be determined by his mood, or by the views of the last person he has spoken to or watched on cable news networks.

Other possible sources of comfort are Trump's advisers, whom many observers have taken to referring to as "the grownups" in the administration. White House Chief of Staff John Kelly, Secretary of Defense James Mattis, National Security Adviser H. R. McMaster, Vice President Mike Pence, and Secretary of State Rex Tillerson have all sought to add coherence and stability to U.S. policy by clarifying the president's statements—or by seeming to ignore them altogether. These people are now the face of American public diplomacy: observers turn to them to understand U.S. policy. This would be reassuring if the president were playing along. But Trump has undermined his advisers' efforts to salvage Washington's reputation by publicly undercutting them. Just one day after Tillerson confirmed that the United States was speaking directly with the North Koreans, Trump tweeted that his secretary of state was "wasting his time." "Save your energy Rex," he wrote. Such statements—even if they are intended to push Kim to make concessions—are likely to sow confusion in Pyongyang. Trump's rhetoric on North Korea has undermined the United States' signaling reputation and could potentially lead to a disastrous and avoidable war.

If there is any ground for cautious optimism, it is that the president's reputation is not the only factor adversaries and allies consider in order to discern U.S. intent. As skeptics of the importance of reputation might point out, U.S. military power, widespread knowledge of the United States' vital interests, and a long record of taking military action to defend the status quo in various parts of the world continue to allow the United States to dissuade adversaries from crossing well-established redlines. The credibility of a country does not depend solely on the credibility of its president. Foreign observers may not trust Trump, but they may still retain some degree of confidence in American political institutions and public opinion as constraints on the president's actions.

At the same time, however, the president's compromised signaling reputation increases the likelihood that adversaries will misperceive

American redlines and misjudge U.S. reactions, especially in contentious regions such as eastern Europe and the Middle East. World leaders may also feel that it is now acceptable to dismiss or ignore the president of the United States when it is convenient for them to do so; they could be forgiven for coming to this conclusion when they read that Tillerson referred to Trump as a “moron.” (Tillerson’s spokesperson has denied this—but Tillerson himself has not.)

A damaged reputation may also make it harder for the United States to achieve its objectives through coercive diplomacy—the threats and promises that have traditionally worked because they were understood to put U.S. credibility at stake. Under Trump, the United States may have to resort to more risky tactics to demonstrate resolve, such as military brinkmanship or even military force. Such tactics carry serious risks of unnecessary escalation.

With the president’s signaling reputation diminished, the United States will also have to work harder to convince its allies that it will stand by its commitments. Washington’s partners are likely to demand more concrete demonstrations that U.S. security guarantees remain intact. Reduced trust in American protection may lead U.S. allies to become more self-reliant (as Trump wants them to be), but it could also embolden U.S. adversaries to more aggressively test boundaries. It would not be surprising, for example, if Russian President Vladimir Putin decided to probe the extent of U.S. support for Ukraine.

### **MAKING WORDS MATTER AGAIN**

The long-term ramifications of Trump’s credibility crisis remain unclear. The United States cannot control the conclusions that others draw from the president’s behavior. But international observers will look at how the U.S. political system responds to Trump’s statements, and when and how it counteracts them. Even if American foreign policy during the Trump administration remains consistent and coherent in action, if not in rhetoric, the United States has already paid a significant price for Trump’s behavior: the president is no longer considered the ultimate voice on foreign policy. Foreign leaders are turning elsewhere to gauge American intentions. With the U.S. domestic system so polarized and its governing party so fragmented, communicating intent has become more difficult than ever. The more bipartisan and univocal U.S. signaling is, the less likely it is that Trump’s damage to American credibility will outlast his tenure.

For now, however, with Trump's reputation compromised, the price tag on U.S. deterrence, coercion, and reassurance has risen, along with the probability of miscalculation and inadvertent escalation. Trump may think that a predictable and credible foreign policy is a sign of weakness. He is wrong. For a small revisionist power such as North Korea, appearing unpredictable may allow a leader to temporarily punch above his weight. But whether Trump likes it or not, the United States is a global superpower for whom predictability and credibility are assets, not liabilities. 🌐

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# Giving Up the High Ground

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## America's Retreat on Human Rights

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*Sarah Margon*

MARCH/APRIL 2018

**N**o U.S. president has spoken about human rights the way Donald Trump has. During the campaign, he praised Saddam Hussein for his approach to counterterrorism in Iraq: “He killed terrorists. He did that so good. They didn’t read them the rights. They didn’t talk. They were a terrorist. It was over.” He promised to loosen the restrictions on interrogating terrorism suspects: “I would bring back a hell of a lot worse than waterboarding.” He went out of his way to compliment Russian President Vladimir Putin’s abusive rule: “In terms of leadership, he is getting an A.” And in a television interview shortly after his inauguration, when asked why he respected Putin—“a killer,” in the interviewer’s words—Trump responded, “We’ve got a lot of killers. What, do you think our country’s so innocent?”

As president, he has kept at it. Last April, he chose to congratulate Turkish President Recep Tayyip Erdogan for winning a disputed referendum that expanded his authoritarian rule. In a call that same month, he spoke to Philippine President Rodrigo Duterte, whose bloody campaign under the guise of a “war on drugs” has taken the lives of over 12,000 Filipinos. Trump praised Duterte for doing an “unbelievable job on the drug problem.” When they met in Manila in November, Trump

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**SARAH MARGON** is Washington Director of Human Rights Watch.

laughed heartily after Duterte cut off questions from reporters and called them “spies”—this in a country where journalists and activists sometimes end up dead. Before heading to China, Trump congratulated President Xi Jinping, who had just further cemented his repressive rule at a Communist Party congress, for his “great political victory.”

All U.S. presidents have, to varying degrees, downplayed or even overlooked concerns about human rights in order to get things done with unsavory foreign partners. But none has seemed so eager as Trump to align with autocrats as a matter of course. The harm goes beyond mere words. In country after country, the Trump administration is gutting U.S. support for human rights, the rule of law, and good governance, damaging the overarching credibility of the United States. Within the United States’ borders, meanwhile, the Trump administration has unleashed an assault on non-discrimination and equal justice.

Even before Trump was elected, human rights were under attack across the globe. With crisis, conflict, and instability gripping much of the world, repressive leaders from Ethiopia to Russia to Thailand have used these developments to justify tightening their hold on power—cracking down harder on dissent while rejecting the rule of law and flouting international norms. Now, with Trump in office, there’s little reason to believe that such initiatives will be met with much criticism or consequences from the United States. Indeed, the Trump administration’s chaotic and virtually values-free approach to foreign policy is bolstering this global deterioration while corroding the institutions and alliances needed to reverse it.

## **WRONG ON RIGHTS**

The first year of Trump’s presidency was marked by a frenzy of activity on domestic issues. His administration instituted harsh new immigration rules that are ripping apart families and communities. Between late January and early September 2017, the total number of immigrants arrested inside the country (versus at the border) increased by 43 percent compared with the number arrested during the equivalent time period under President Barack Obama in 2016. These are people who have been uprooted from communities where they have families and deep ties. The president has also issued a series of travel bans, all of which use classic scapegoating tactics and bigotry to incite fears about Muslims and refugee-resettlement programs. Al-

though the courts blocked the original and most draconian versions of this ban, in late 2017, they did allow a revised version to proceed.

The president has empowered bigots by making racially charged statements, including referring to white supremacists marching in Charlottesville, Virginia, as “very fine people.” He has sought to end what he calls the “very dangerous anti-police atmosphere in America,” which is a direct rebuke to activists calling for racial justice in policing. He has also gravely harmed women’s rights by attacking reproductive choice, halting an equal-pay measure, and weakening protections against gender-based violence on college campuses.

On foreign policy, meanwhile, the administration has dismissed or damaged the global human rights framework. Under Trump, the United States has walked away from (or threatened to walk away from) a number of vital global commitments, institutions, and initiatives that would provide an opportunity to share the burden of combating global challenges while respecting rights. The administration has threatened to withdraw from the UN Human Rights Council, largely because the Palestinian territories (and therefore Israel) are a permanent item on its agenda. It’s true that the council has flaws, but it has also successfully documented and exposed many human rights issues of concern to U.S. law and policymakers. Walking away would not only weaken the council but also limit the available avenues for Washington to promote human rights. From the UN’s negotiations on the compact for global migration to the Paris agreement on climate change, the Trump administration has repeatedly suggested multilateral institutions are of no use to the United States, even though the country was instrumental in creating the UN, as well as many of the norms and laws that guide thinking about human rights today.

When it comes to human rights, symbolism matters, and under this administration, human rights activists have been made to feel as though they aren’t important. The president and his top national security officials have met with very few frontline activists and have held very few meetings with civil society before or during overseas trips—a practice that previous presidents often used so as to hear directly from ordinary citizens about the challenges they were facing.

Words matter, too, and Trump’s fulsome praise of strongmen, many of whom he has hosted at the White House with great fanfare and little condemnation, has been taken by many as permission for brutality. Last April, he congratulated Egyptian President Abdel Fattah el-Sisi,

a military dictator who has overseen a vicious crackdown on government critics, for doing “a fantastic job.” The next month, counter to a promise made to the White House, Sisi signed a draconian law regulating civil society. Perhaps he was emboldened by Trump’s comment in Saudi Arabia a week earlier: “We are not here to lecture—we are not here to tell other people how to live.” On that same visit to Saudi Arabia, Trump told Hamad bin Isa al-Khalifa, the king of Bahrain, “There won’t be strain with this administration,” which the Bahraini regime evidently viewed as a green light to intensify repression. As Nabeel Rajab, an imprisoned Bahraini activist (and member of Human Rights Watch’s Middle East advisory committee), has written, “It was no coincidence that days later, Bahraini police used the deadliest force we have seen in decades, killing five protesters.”

Similarly, politicians looking to discredit the free press have latched on to the term “fake news,” one of Trump’s favorite phrases. In Syria, President Bashar al-Assad rejected an Amnesty International report documenting the brutal killing of 13,000 military prisoners, saying, “You can forge anything these days. We are living in a fake-news era.” In Myanmar, where security forces have undertaken a campaign of ethnic cleansing against Rohingya Muslims, a government official went so far as to say, “There is no such thing as Rohingya. It is fake news.” The term has become a catch phrase for government officials in China, the Philippines, Russia, and Venezuela who wish to shield themselves from scrutiny and create a climate of fear that vilifies dissenting voices. Indeed, according to the Committee to Protect Journalists, which has been keeping a database of imprisoned journalists since the early 1990s, the number of people charged with reporting “false news” rose to a record high in 2017.

## **THE WAR ON WOMEN**

Perhaps it should not be surprising that a man who was caught on tape bragging about sexual assault has put in place policies that set back the rights of women and girls around the world. But the swiftness of the rollback has been startling. In keeping with Republican tradition, the Trump administration has cut off U.S. funding for the UN Population Fund, which provides lifesaving maternal care for women, falsely claiming that it promotes forced abortions. And the reversal of so many domestic policies in support of gender equality no doubt undermines U.S. credibility overseas when it comes to empowering women and girls.

But perhaps the greatest threat to women will come from Trump's expansion of the so-called Mexico City policy, also known as "the global gag rule," a long-standing policy of Republican administrations that imposes conditions on health-care organizations receiving U.S. aid. To keep their U.S. funding, these organizations must certify that they are not using their other funds to provide abortions (except in cases of rape, incest, or to save a woman's life) and that they are not offering information about or referrals for abortions or advocating them. Otherwise, they lose all their U.S. funding. In one of his first acts as president, Trump dramatically expanded the scope of funds affected by this restriction, raising the amount of aid at stake from \$600 million to \$9 billion.

The United States is by far the world's largest health donor, so the rule will inflict untold harm on women, girls, and their families. It will likely hinder hard-fought progress on health care in poor and middle-income countries, particularly those that rely heavily on U.S. resources. Affected health programs may have to cut not only their family-planning offerings but also services linked to child health, including vaccinations and the prevention and treatment of HIV/AIDS, malaria, and tuberculosis.

As research by Human Rights Watch in Africa has found, the new rule already means fewer health services of all types, not just the loss of safe abortion care. To take one example, Family Health Options Kenya, an organization set to lose U.S. funds, has curtailed outreach services such as family planning, cervical cancer testing, and HIV testing for impoverished communities, and it has already closed one clinic. Organizations in Kenya that have no choice but to agree to the new restrictions because they depend on these funds worry that more women will die from unsafe abortions, a leading cause of maternal mortality in the country. In Uganda, the policy presents a difficult choice for organizations with multiple public health campaigns: Should they keep the funds and focus just on fighting HIV/AIDS, or should they reject the funds and work to end injuries and deaths from back-alley abortions?

Trump's policy is not only an assault on women's health; it is also likely to be self-defeating. A 2011 Stanford University study found that when a more limited version of the Mexico City policy was last in place, during the George W. Bush administration, sub-Saharan Africa actually saw abortions increase. This happened particularly in parts of the continent that had few health-care options and relied heavily on U.S. funds. Although the researchers could not conclu-



sively explain this uptick, their leading interpretation was that an overall decline in family-planning resources led to more unplanned pregnancies and more abortions. It stands to reason that an expanded version of the policy will lead to even more preventable maternal deaths, due to an increase in both unplanned pregnancies and unsafe abortions—to say nothing of its effect on efforts to combat HIV/AIDS, malaria, and child malnutrition.

### **ON THE WARPATH**

Because the United States is the world's preeminent military power, its use of force is watched closely, especially when the White House has unequivocally pushed for a greater reliance on hard power. Indeed, the Trump administration has increased defense spending while reducing foreign aid. It has reversed a policy to phase out the use of cluster bombs, a particularly indiscriminate explosive. It has signed secret changes that undo the Obama administration's more restrictive policies regarding the use of drone strikes and commando raids, a shift that will inevitably lead to less transparency and accountability and more civilian deaths. It has also accelerated arms sales, including to governments with poor track records on human rights, and has signaled its intention to loosen restrictions on arms exports—a short-sighted move that would prioritize economic interests over values.

In the fight against the Islamic State, or ISIS, the Trump administration has demonstrated a noted antipathy toward the laws of war. As a candidate, Trump promised to “bomb the shit out of” ISIS, and as president, he has lessened the White House's oversight of air strikes in Iraq and Syria while giving commanders in the field more control, even as they shifted to more intense urban warfare.

In recent years, the Department of Defense has sought to make the details of its campaign against ISIS somewhat more transparent. The Pentagon regularly publishes information on its website about war costs, and even posts videos of air strikes. It also publishes a monthly report examining civilian casualties. But over the last year, human rights groups, the UN, and journalists have found growing evidence that a dramatically higher number of civilians are being killed by U.S. forces or U.S.-led coalition forces in Iraq and Syria (as well as Afghanistan) than what is officially reported. In some cases, these investigations have found serious violations of the laws of armed conflict. An exhaustive inquiry by *The New York Times*

*Magazine* concluded that the campaign against ISIS may be the least transparent war in recent U.S. history. The magazine reported that one civilian is killed for every five coalition air strikes—more than 31 times the rate the coalition has acknowledged.

Parts of this strategic shift began during the Obama administration. In December 2016, the Pentagon removed the requirement for a “strike cell” in Baghdad, which had served as a collection point for information about planned targets for air strikes in Iraq—an extra check to avoid civilian casualties. But the Trump administration exacerbated the problem by speeding up the tempo of operations without doing enough to mitigate civilian harm. The Pentagon also failed to consistently ensure that there had been adequate checks on intelligence collection before approving an air strike, and it has used munitions and firepower generally not considered appropriate for urban warfare. Investigations to assess allegations of civilian harm in the aftermath of a lethal strike have become deeply inadequate, hampered in part by the lack of a clear process for gathering information from those closest to the ground, such as local activists, emergency responders, and nongovernmental organizations.

### **SAVING THE SYSTEM**

Human rights concerns have always competed with national security considerations. For too long, Washington has adopted policies in the name of protecting national security that come at the expense of human rights, forgetting the long-term costs of doing so. The Obama administration’s arms sales to Saudi Arabia, despite the Saudi-led coalition’s unlawful air strikes against civilians in Yemen, is a prime example of the harm this approach can do, with thousands of civilians killed and anti-American sentiment on the rise in the country. Another is the CIA’s secret post-9/11 torture and rendition program, which the Bush administration launched in violation of international obligations and U.S. law and which has undermined Washington’s credibility on human rights. But even as the United States struggled with how and when to promote human rights, there was always a common understanding that doing so was a key part of what defined the United States—and what Americans believed was the right thing for their government to do.

Not so under Trump. Although some lower-level U.S. officials appear committed to keeping human rights a priority, others have concluded that this may be impossible. In November, for example, Elizabeth

Shackelford, a U.S. Foreign Service officer who most recently served in Kenya, resigned from the State Department in protest, writing, “Our government has failed to demonstrate a commitment to promoting and defending human rights and democracy.” No one who is actually running U.S. foreign policy seems to believe that the advancement of fundamental rights should be one of its central pillars.

Given the United States’ historically spotty record on promoting human rights, there are those who think that other governments can pick up the slack. But in reality, the loss of the United States as a champion, however inconsistent its support can be, is likely to further encourage governments to treat their citizens poorly, confident that no meaningful rebuke will follow. It is also likely to create a leadership vacuum, and the countries that aim to fill it—such as China, Iran, Russia, and Venezuela—will no doubt seek to spread their no-strings-attached approach to global affairs.

So what is to be done? Realistically, the next few years are likely to be hard on human rights. But despite the absence of U.S. leadership, there have been some bright spots, with rights-minded countries stepping up. At the UN Human Rights Council, for example, the Netherlands managed to overcome opposition from Saudi Arabia, the United Arab Emirates, and the United States to launch an independent investigation into the Saudi-led campaign in Yemen. Similarly, Iceland took the lead in drafting and collecting support from 38 other countries for a joint statement at the council condemning Duterte’s bloody “war on drugs.” As long as Trump is in power, such ad hoc coalitions of like-minded countries will need to become the norm.

There is also much that other parts of the U.S. government can do to protect human rights. Just as some cities and states have decided to comply with the Paris climate agreement despite the federal government’s withdrawal, they can also find ways to protect immigrants caught up in the Trump administration’s dragnet and keep families and communities intact.

Congress, for its part, has already resisted a number of presidential initiatives in the interest of human rights. In May, a bipartisan group of 15 senators sent Trump a letter urging him to “ensure that America remains a leader in advocating for democracy and human rights.” Congressional committees are using aid allocations and authorization bills to push back against the executive branch. Individual members of Congress are drafting legislation, holding hearings, and meeting with for-

eign officials to stand up for human rights in the Democratic Republic of the Congo, Egypt, Russia, and elsewhere. In December, the Treasury Department, under pressure from Congress, imposed sanctions on 13 individuals—from Belgium, China, the Dominican Republic, Gambia, Guatemala, Israel, Myanmar, Nicaragua, Pakistan, Russia, Serbia, Sudan, and Uzbekistan—for corruption and human rights abuses.

But these efforts can only go so far. Petition gathering by like-minded countries is less effective without the most powerful country on earth. State and local governments can only do so much to work around the federal government. And although Congress controls the power of the purse, it has far less influence on foreign policy than the executive branch. And all the while, the White House's attacks on immigrants, health care, minority communities, and the justice system will continue to diminish American credibility on human rights overseas. Simply put, unless it changes course dramatically, the Trump administration—and the president himself—will remain one of the greatest threats to human rights in decades. 🌐

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# The Return of Doomsday

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## The New Nuclear Arms Race—and How Washington and Moscow Can Stop It

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*Ernest J. Moniz and Sam Nunn*

SEPTEMBER/OCTOBER 2019

**T**he year is 2020. The Russian military is conducting a large exercise in Kaliningrad, a Russian exclave on the Baltic Sea that borders the NATO member states Lithuania and Poland. An observer aircraft from the Western alliance accidentally crosses into Russian airspace and is shot down by a surface-to-air missile. NATO rushes air squadrons and combat vessels into the region. Both sides warn that they will consider using nuclear weapons if their vital interests are threatened.

Already on edge after the invasion of Crimea, rising tensions in the Middle East, the collapse of arms control agreements, and the deployment of new nuclear weapons, NATO and Russia are suddenly gearing up for conflict. In Washington, with the presidential campaign well under way, candidates are competing to take the hardest line on Russia. In Moscow, having learned that anti-Americanism pays off, the Russian leadership is escalating its harsh rhetoric against Washington.

With both sides on high alert, a cyberattack of unknown origin is launched against Russian early warning systems, simulating an in-

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**ERNEST J. MONIZ** is Co-Chair and CEO of the Nuclear Threat Initiative and Cecil and Ida Green Professor of Physics and Engineering Systems Emeritus at MIT. He served as U.S. Secretary of Energy from 2013 to 2017.

**SAM NUNN** is Co-Chair of the Nuclear Threat Initiative and a former U.S. Senator from Georgia. He served as Chair of the Senate Committee on Armed Services from 1987 to 1995.

coming air attack by NATO against air and naval bases in Kaliningrad. With only minutes to confirm the authenticity of the attack and no ongoing NATO-Russian crisis-management dialogue, Moscow decides it must respond immediately and launches conventional cruise missiles from Kaliningrad bases at NATO's Baltic airfields; NATO also responds immediately, with air strikes on Kaliningrad. Seeing NATO reinforcements arrive and fearing that a NATO ground invasion will follow, Moscow concludes that it must escalate to de-escalate—hoping to pause the conflict and open a pathway for a negotiated settlement on Moscow's terms—and conducts a low-yield nuclear strike on nuclear storage bunkers at a NATO airfield. But the de-escalate calculus proves illusory, and a nuclear exchange begins.

This hypothetical may sound like the kind of catastrophic scenario that should have ended with the Cold War. But it has become disturbingly plausible once again. Its essential elements are already present today; all that is needed is a spark to light the tinder.

Even after decades of reducing their arsenals, the United States and Russia still possess more than 90 percent of the world's nuclear weapons—over 8,000 warheads, enough for each to destroy the other, and the world, several times over. For a long time, both sides worked hard to manage the threat these arsenals presented. In recent years, however, geopolitical tension has undermined “strategic stability”—the processes, mechanisms, and agreements that facilitate the peacetime management of strategic relationships and the avoidance of nuclear conflict, combined with the deployment of military forces in ways that minimize any incentive for nuclear first use. Arms control has withered, and communication channels have closed, while outdated Cold War nuclear postures have persisted alongside new threats in cyberspace and dangerous advances in military technology (soon to include hypersonic weaponry, which will travel at more than five times the speed of sound).

The United States and Russia are now in a state of strategic instability; an accident or mishap could set off a cataclysm. Not since the 1962 Cuban missile crisis has the risk of a U.S.-Russian confrontation involving the use of nuclear weapons been as high as it is today. Yet unlike during the Cold War, both sides seem willfully blind to the peril.

Washington and Moscow share a responsibility to prevent a nuclear catastrophe, even at a time of mutual distrust and U.S. domestic divisions. The U.S. and Russian presidents must begin by creating a climate

for dialogue between their governments, managing their differences and cooperating when they can—most of all when it comes to addressing the common existential threat of nuclear war. Reviving and reinventing strategic stability will be a long-term process, but in the United States, leaders from across the political spectrum should put this at the top of the priority list and get to work on mitigating the short-term dangers of confrontation. The risk of nuclear escalation is too high to wait.

## **MISSILES AND MISTRUST**

Over much of the past two decades, clashing national interests and zero-sum security policies in and around Europe have fueled tension and mistrust between Russia and the West. Friction over the Balkans and the war in Kosovo in the 1990s was an early indicator that the relationship would be contentious in the post-Soviet era. The ongoing process of NATO enlargement that was begun in 1997 substantially added to the tensions. After Russian President Vladimir Putin and U.S. President George W. Bush came to power, in 2000 and 2001, respectively, disputes over missile defense and the Iraq war helped spur Putin's seminal speech at the Munich Security Conference in 2007, in which he criticized the United States' "almost uncontained hyper use of force" and warned of a new arms race. The Russian invasion of Georgia followed in 2008, deepening mistrust between Moscow and the West, which carried into the Obama era despite efforts to "reset" relations. The 2011 NATO intervention and regime change in Libya fueled suspicions in the Kremlin that bordered on paranoia.

The situation gradually worsened until 2014, when Russia's annexation of Crimea, its military intervention in eastern Ukraine, and the downing of a Malaysia Airlines flight reportedly by a Russian-made missile fired from territory controlled by Russian-backed separatists in Ukraine ruptured relations between Russia and the West. The United States and Europe responded with economic sanctions designed to isolate Russia and force a diplomatic resolution to the Ukraine crisis. Despite two negotiated agreements—the Minsk I and II deals of 2014 and 2015—the conflict has ground on. NATO and Russia have reinforced their military postures throughout the region. In the Baltics and around the Black Sea, NATO and Russian forces are operating in close proximity, increasing the risk that an accident or a miscalculation will lead to a catastrophic result.

Exacerbating this danger is the deliberate and accelerating breakdown of the arms control architecture that for decades provided re-

straint, transparency, and predictability for each side's conventional and nuclear forces. In their absence, Russia and the West are assuming and planning for worst-case scenarios. The first crack appeared in 2002, when the United States withdrew from the Anti-Ballistic Missile (ABM) Treaty, signed three decades earlier to prevent Washington and Moscow from deploying nationwide defenses against long-range ballistic missiles. Five years later, Russia effectively suspended another landmark agreement, the 1990 Treaty on Conventional Armed Forces in Europe, and NATO followed suit.

The 1987 Intermediate-Range Nuclear Forces (INF) Treaty—which banned an entire class of destabilizing nuclear-capable missiles on European territory—has been dealt a likely fatal blow with this year's decisions by Washington to withdraw from the treaty and by Moscow to suspend implementation of it. This followed U.S. concerns about Russian deployment of prohibited missiles and Russian allegations raised in response. The fate of the Comprehensive Nuclear Test Ban Treaty is also in doubt, with four Republican U.S. Senators writing to President Donald Trump this past spring asking if he would consider “unsigning” the treaty. The future of the 2010 New START treaty is also unclear. Unless both sides agree to extend it—a proposition Trump and his administration have consistently refused to embrace—the treaty will expire in 2021. In short, in less than two years, the last remaining agreement to limit and monitor the deployment of U.S. and Russian strategic nuclear forces could unravel completely. If it does, any remaining transparency of both sides' nuclear arsenals, including on-site inspections by each country, will vanish with it.

At the same time as checks on existing weapons are falling away, new technologies threaten to further destabilize the military balance. Sophisticated cyberattacks could compromise early warning systems or nuclear command-and-control structures, increasing the risk of false alarms. Prompt-strike forces, including delivery systems that pair conventional or nuclear warheads with a hypersonic boost-glide vehicle or cruise missile, can travel at very high speeds, fly at low altitudes, and maneuver to elude defenses. If deployed, they would decrease a defender's warning and decision time when under attack, increasing the fear of military planners on both sides that a potential first strike could deliver a decisive advantage to the attacker. Then there is the militarization of outer space, a domain that remains virtually unregulated by agreements or understandings: China, Russia,



and, most recently, India have built up their antisatellite capabilities, and Washington is mulling a dedicated space force.

This toxic mix of decaying arms control and new advanced weaponry is made even more dangerous by the absence of dialogue between Russia and the West—in particular, between civilian and military professionals in the defense and foreign ministries. The current disconnect is unprecedented even when compared with the height of the Cold War. As tense as that conflict was, Democrats and Republicans in the White House and Congress understood that engagement with the Soviet Union was essential to keeping Americans safe. U.S. and Soviet negotiators met regularly in Geneva, New York, and Vienna. U.S. military commanders spoke regularly in various forums, including arms control negotiations, with their Soviet counterparts, united by a sense of mutual obligation to prevent nuclear disasters.

This precautionary mindset has faded in the wake of Russian aggression in Ukraine and interference in U.S. and European elections. The United States and its NATO allies are now stuck in a retaliatory spiral of confrontation with Russia. The West in recent years has treated dialogue as a reward to be earned by good behavior rather than a diplomatic tool to be employed out of necessity. Insufficient communication only exacerbates acrimony and tension—further raising the barrier to dialogue. The NATO-Russia Council, for example—a forum set up in 2002 to ensure regular mutual consultation—has become dysfunctional; rather than turning to it in moments of crisis, such as during the Russian attack on Ukraine, NATO suspended all practical cooperation within the council for two years beginning in April 2014. Since then, it has met only 11 times in carefully orchestrated sessions, with officials below the level of NATO ambassadors. Routine exchanges between military professionals are still blocked.

Political fissures in the United States bear some of the responsibility for this communication breakdown. In Congress, distrust of Trump's handling of relations with Moscow and justifiable outrage over Russia's election interference and its actions in Ukraine are widespread. As a result, members of both political parties increasingly characterize all dialogue with Russia as suspect. Congress has passed, with overwhelming majorities, laws codifying existing sanctions against Russia and enacting new ones, making it extremely difficult for the president to alter or remove them on his own. More problematic, it has passed legislation prohibiting the U.S. military from coop-

erating with the Russian military. (Dialogue for limited purposes is still permitted but discouraged.) This restrictive legislation has had a chilling effect on much-needed military-to-military interactions.

Fractures within NATO have also hampered clear communication with Russia. The Trump administration has undercut the United States' European allies by publicly castigating them for failing to spend more on defense while also putting into question whether the United States will honor its defense commitments. Over the objections of NATO member states and the EU, the United States withdrew from the Iran nuclear deal and the Paris agreement on climate change. All this transatlantic discord has damaged the perception of NATO as a strong alliance. Moreover, NATO members are divided over how to balance engagement and confrontation with Russia. Because of its uncertain and unpredictable leadership, Washington is in a weak position to guide this debate and ensure that Western states stick to a common and coherent line when dealing with Russia. In a crisis, NATO disunity could undermine U.S. credibility and exacerbate the risk of military confrontation with Russia.

### **RUSSIA AS IT IS**

For all of Russia's internal problems—an economic and political structure whose overreliance on one commodity (energy) and one person (Putin) is by definition fragile—the country will remain a force to be reckoned with for a long time to come. By virtue of its vast geography, permanent membership in the UN Security Council, rebuilt military, and immense nuclear forces, Russia can disrupt geopolitical currents in areas vital to the interests of the United States, including Europe, the Middle East, Asia, and the Arctic. Further clashes and crises are not just possible but probable. Both sides need to start planning now to make sure that any such confrontations do not spiral out of control—or, better yet, to prevent them from occurring in the first place.

Strategic engagement with Moscow does not mean ignoring Russian aggression, be it intervention in Ukraine, interference in Western elections, a chemical attack on a former KGB agent in the United Kingdom, or violations of the INF Treaty. Even as it seeks to work with Russia on nuclear threat reduction, the West should continue seeking to deter unacceptable behavior. The United States and the EU should not, for example, lift their Ukraine-related sanctions on Russia without substantial movement on Ukraine. Nor should Washington re-

move the sanctions it imposed in response to Russian electoral interference until such interference has been reliably curtailed. At the same time, Congress must give Trump and his successors the flexibility to selectively lift sanctions if they have achieved their purpose; if the Russians conclude they will never get out of the penalty box, they will have very little incentive to change their aggressive behavior.

NATO should also maintain its enhanced military posture in Europe, including its temporary force rotations in the Baltic countries. Yet at the same time, it should honor its commitment—made in the 1997 NATO-Russia Founding Act, a road map for the normalization of relations after the Cold War—not to store or deploy nuclear weapons on the territory of new NATO members in eastern Europe.

Put simply, leaders in Washington and other NATO capitals should engage Russia with a clear-eyed understanding of their differences. But dialogue must rest on a recognition of the shared vital interest in preventing the use of nuclear weapons.

### **GETTING BACK TO JAW-JAW**

In Washington, the first step toward rebuilding a productive dialogue with Moscow is rebuilding a working relationship between the Trump administration and Congress on Russia policy. Even with the lack of trust between the president and congressional Democrats, especially in the run-up to the 2020 presidential election, bipartisan leadership from Congress is essential, and essential now: given the gravity of the risks, legislators simply cannot afford to wait for new leadership in the White House or in the Kremlin.

A new bipartisan liaison group—of House and Senate leaders and committee chairs, on one side, and relevant senior administration officials, on the other—focused on Russia policy, nuclear dangers, and NATO could kick-start and help sustain this process. House Speaker Nancy Pelosi, Democrat of California, and Senate Majority Leader Mitch McConnell, Republican of Kentucky, need not wait for a call from the White House to get such a group up and running. They should make this proposal to increase executive-legislative coordination directly to the president and the secretary of state. The forum would strengthen the United States' hand in dealing with Russia by showing a bipartisan executive-legislative front. If the Trump administration objects or demurs, Congress should use its legislative and appropriations powers to establish the liaison group regardless and use commit-

tee hearings to call administration witnesses. (With the help of Pelosi and McConnell, the liaison group could also provide a foundation for dialogue with parliamentary counterparts and Russian leaders.)

The fact that Trump and Putin reportedly agreed to a new dialogue on strategic stability and nuclear dangers at a meeting in Helsinki in July 2018 was a step in the right direction. But their inability to follow through—including at the level of civilian and military professionals, who need the green light from their leaders—underlines how dysfunctional relations have become. The talks on “strategic security” between U.S. and Russian diplomats that began following the June Trump-Putin meeting in Osaka, Japan, at the G-20 summit this year, should be expanded to include senior military and other officials from both governments—with a broader agenda and more frequent meetings. Congressional leaders should also give bipartisan—or, rather, nonpartisan—backing to this initiative.

To increase transparency and trust between their militaries and among militaries Europe-wide, the United States, NATO, and Russia should restart a crisis-management dialogue, one that includes their nuclear commanders. Previously, the NATO-Russia Council (buttressed by arms control compliance commissions) provided a forum for discussions along these lines, and ideally this dialogue could be resumed in the council, or as a separate working group. The United States, NATO, and Russia should also reopen channels of engagement between their respective nuclear scientific and expert communities on a variety of shared interests: preventing nuclear and radiological terrorism, enhancing the safety of nuclear reactors, investigating solutions to the problem of nuclear waste, supporting beneficial innovations in civilian nuclear science, and strengthening the International Atomic Energy Agency.

With a modicum of cooperation restored, the United States and Russia could take more specific steps to reduce the likelihood of a new nuclear arms race—of vital importance for international security, particularly in light of the probable demise of the INF Treaty. All nations have an interest in seeing the New START treaty fully implemented and extended through 2026, the maximum five-year extension permitted by the treaty. Here, too, Congress can provide support and make clear—as it did during the United States’ nuclear buildup in the 1980s—that funding for nuclear modernization comes with the expectation that Washington will work with Moscow to reduce nuclear risks and continue to impose verifiable limits on both sides’ arsenals.

## **BREAKING THE ESCALATION CYCLE**

Another top priority is finding ways to give leaders of nuclear weapons states more time to reach a decision on whether to use their nuclear weapons in a moment of crisis—especially when they fear they may be under attack by nuclear weapons. Today, decision-makers in Washington and Moscow have only a precious few minutes to decide whether a warning of a possible nuclear attack is real and thus whether to retaliate with a nuclear attack of their own. New technologies, especially hypersonic weapons and cyberattacks, threaten to make that decision time even shorter. The fact that Russian troops are deployed, and routinely conduct military exercises, in Russia's western regions close to NATO's boundaries, and NATO troops are deployed, and have recently conducted military exercises, close to Russia's borders further raises fears of a short-warning attack. Such shrinking decision time and heightened anxieties make the risk of a mistake all too real. Leaders in both Washington and Moscow should clearly direct their military leaders to work together on ways to minimize such fears and increase their decision time.

Although it may seem counterintuitive given the current political landscape and emphasis on deterrence, the United States, NATO, and Russia should consider that U.S. and Russian forward-deployed nuclear weapons in Europe may be more of a security risk than an asset. These weapons are potential targets in the early phases of a conflict and thus could trigger early nuclear use, an outcome that all sides must avoid. Despite speculation about Russian interest in escalating to de-escalate (that is, that Moscow would under certain circumstances deliberately escalate a conflict through limited nuclear use to create the conditions for a settlement on terms favorable to Russia—a complex proposition often denied by Russian officials and academics), any nuclear use would almost certainly trigger further escalation. Moreover, U.S. forward-deployed weapons are an attractive target for terrorists, as they are more vulnerable if located in areas where there is a heightened risk of terrorism or political instability (this is also true for Russian weapons). By the same token, Washington and Moscow must find a way to prevent the deployment of U.S. or Russian intermediate-range missiles systems in the Euro-Atlantic region, given that the constraints of the INF Treaty—designed to prevent such deployments—are likely to no longer be binding. Otherwise, leaders in Moscow, London, and Paris could once again become consumed

with fears of a short-warning nuclear attack that could decapitate a nation's leaders and its command and control, which would greatly increase the risk of false warnings.

Since the United States withdrew from the ABM Treaty, in 2002, long-range missile defense has been left out of any arms control framework, and Russian leaders worry that the U.S. missile defense program could at some point undermine the Russian nuclear deterrent. A new, legally binding agreement like the ABM Treaty is unlikely given the intense opposition to any constraints on missile defense in the U.S. Senate, which would have to approve any new treaty by a two-thirds vote. Nonetheless, it should be possible to negotiate soft guidelines on missile defense, including reciprocal transparency measures, such as on-site visits to monitor missile defense capabilities and written understandings not to deploy missile defenses in ways or at levels that would threaten the other's nuclear deterrent and fan first-strike concerns.

Exchanging more information about each side's operations and capabilities could help ensure that prompt-strike systems, such as modern hypersonic missiles, do not further erode strategic stability. This is primarily a U.S.-Russian issue, but with China's reported development of hypersonic missile capabilities, addressing it will ultimately require broader engagement. It would also help to offer more transparency on nonnuclear prompt-strike systems and commit to segregating these conventional capabilities from nuclear-weapons-related activities or deployments. Doing so could help ensure that early warning systems would not mistake a conventional attack for a nuclear one. New START or a successor agreement could also put restrictions on some long-range prompt-strike systems capable of delivering both conventional and nuclear weapons—since their unconstrained deployment would increase fears of a first strike.

Washington and Moscow should also work together to develop clear redlines in cyberspace and outer space. In both domains, which are largely unregulated, other nations, or third parties, could threaten U.S. and Russian interests—or even attempt to spark a war between the United States and Russia. Cyberattacks on nuclear facilities, nuclear command-and-control structures, or early warning systems could cause miscalculations or blunders, such as a false warning of a missile attack or a failure to prevent the theft of nuclear materials. As states continue to develop and refine their ability to attack satellites, the United States and Russia could be blinded in the early stages of a con-

flict. To ameliorate this problem, the United States and Russia could set up a pilot project focused on exchanging information on activities in outer space, which could help avoid collisions and conflicts in space. The pilot project would identify the information to be exchanged and a mechanism for exchanging it—both of which could lead the United States and Russia to adopt guidelines governing civil and defense space activities. Redlines and pilot projects could help build trust and set the stage for future confidence-building measures, or even legally binding agreements, on activities in cyberspace and outer space.

Finally, and perhaps most important, both sides should develop a set of core nuclear weapons principles, starting with the understanding, first articulated in 1985 by U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev, that “a nuclear war cannot be won and must never be fought.” Affirming this principle was an important building block to ending the Cold War. Today, it could pave the way for important practical steps, such as a renewed effort by the P5—the five permanent members of the UN Security Council, which are all also nuclear weapons states—to strengthen the Nuclear Nonproliferation Treaty and increase cooperation to prevent terrorists from acquiring nuclear materials.

### **BEFORE IT'S TOO LATE**

For decades, strategic stability between the United States and Russia included a mutual recognition of vital interests, redlines, and the means to reduce the risks of accidents or miscalculations leading to conflict, and especially the use of nuclear weapons. Today, however, clashing national interests, insufficient dialogue, eroding arms control structures, advanced missile systems, and new cyberweapons have destabilized the old equilibrium. Political polarization in Washington has only made matters worse, undoing any remnants of a domestic consensus about U.S. foreign policy toward Russia. Unless Washington and Moscow confront these problems now, a major international conflict or nuclear escalation is disturbingly plausible—perhaps even likely. Instead, Trump and Putin have bantered about Russia's interference in the 2016 U.S. presidential election, the idea of “getting rid of the press,” and the problem of “fake news,” all at a time when press freedoms are threatened globally and authoritarianism is on the rise. Under these grim circumstances, some have suggested abandoning U.S.-Russian talks and waiting for new leadership in both countries.

That would be a mistake. Dialogue between the two presidents remains essential: only that can create the political space for civilian and military officials in both nations to engage with one another in discussions that could prevent catastrophe. Congress must set a tone of bipartisan support for communicating and cooperating with Russia to reduce military risks, especially those involving nuclear weapons. To do otherwise puts Americans at grave risk.

To paraphrase John F. Kennedy—who, during the Cuban missile crisis, had a closer call with Armageddon than any other U.S. leader—humankind has not survived the tests and trials of thousands of years only to surrender everything now, including its existence. Today, watching as the edifice of strategic stability slowly but surely collapses, Washington and Moscow are acting as if time is on their side. It is not. 🌐



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# The Demolition of U.S. Diplomacy

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Not Since Joe McCarthy Has the State Department Suffered Such a Devastating Blow

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*William J. Burns*

OCTOBER 14, 2019

**I**n my three and a half decades as a U.S. Foreign Service officer, proudly serving five presidents and ten secretaries of state from both parties, I've never seen an attack on diplomacy as damaging, to both the State Department as an institution and our international influence, as the one now underway.

The contemptible mistreatment of Marie Yovanovitch—the ambassador to Ukraine who was dismissed for getting in the way of the president's scheme to solicit foreign interference in U.S. elections—is just the latest example of President Donald Trump's dangerous brand of diplomatic malpractice. His is a diplomacy of narcissism, bent on advancing private interests at the expense of our national interests.

Ambassador Yovanovitch is not the first professional diplomat to find herself in political crosshairs in the history of the State Department. Trump is not the first demagogue to bully career personnel. And Secretary of State Mike Pompeo is not the first secretary of state derelict in his duty. But the damage from this assault—coming

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**WILLIAM J. BURNS** is President of the Carnegie Endowment for International Peace, former U.S. Deputy Secretary of State, and the author of *The Back Channel: A Memoir of American Diplomacy and the Case for Its Renewal*.

from within the executive branch itself, after nearly three years of unceasing diplomatic self-sabotage, and at a particularly fragile geopolitical moment—will likely prove to be even more severe to both diplomatic tradecraft and U.S. foreign policy.

### **THE NEW MCCARTHYISM**

Almost 70 years ago, in the early years of the Cold War, Senator Joseph McCarthy conducted a savage campaign against “disloyalty” in the State Department. Partisan investigators, untethered to evidence or ethics, forced out 81 department employees in the first half of the 1950s. Among them was John Paton Davies, Jr., an accomplished China hand. His sin was to foresee the communist victory in the Chinese Civil War. Davies was subjected to nine security and loyalty investigations, none of which substantiated the paranoid accusation that he was a communist sympathizer. Nevertheless, in a moment of profound political cowardice, Secretary of State John Foster Dulles fired him.

Purging Davies and his colleagues was not only wrong but also foolish. The loss of such expertise blinded American diplomacy on China for a generation and had a chilling effect on the department and its morale. One of the United States’ most distinguished diplomats, George Kennan, was also pushed out of the Foreign Service during this era. He tried to defend Davies, who had served with him in Moscow and on the Policy Planning Staff, to little avail. Years later, Kennan wrote in his memoirs that McCarthy’s onslaught and the department’s failure to defend its employees was the most “sobering and disillusioning” episode of his long career.

That Senator McCarthy’s chief counsel, Roy Cohn, was also Donald Trump’s lawyer and mentor is one of history’s sad ironies. Trump’s scorched-earth tactics, casual relationship with truth, and contempt for career public service bear more than a passing resemblance to the play-book that Cohn wrote for McCarthy. And when Trump cried out for a “new Roy Cohn” to replace the late original, it was hardly a surprise that former New York Mayor Rudy Giuliani appeared—or that he dove into the muck of the Ukraine scandal and agitated for the removal of a career ambassador whose integrity and expertise proved to be an obstruction.

One might imagine that the State Department’s leadership would stand up to the president and for its personnel—so many of whom are doing hard jobs in hard places around the world. If only that were the case.

Instead, today’s leaders have shown no more spine than Dulles

did. Secretary Pompeo apparently worked around the embassy in Kiev to advance the president's private agenda, allowed specious opposition research about Yovanovitch to circulate around the department, and sat on his hands as Trump slandered Yovanovitch on the infamous call with Ukrainian President Volodymyr Zelensky and warned ominously that "she's going to go through some things." The ghost of Roy Cohn was smiling somewhere.

Even before the Ukraine mess, the Trump administration had been waging a war on diplomacy for nearly three years. The White House regularly pushes historic cuts to diplomacy and development spending, which is already 19 times smaller than the defense budget. Career diplomats are sidelined, with only one of 28 assistant secretary-rank positions filled by a Foreign Service officer, and more ambassadorships going to political appointees in this administration than in any in recent history. One-fifth of ambassadorships remain unfilled, including critical posts.

Not coincidentally, applications to join the Foreign Service have declined precipitously, with fewer people taking the entrance exam in 2019 than in more than two decades. The pace of resignations by career professionals is depressing, the pernicious practice of retaliation against individual officers just because they worked on controversial issues in the last administration is damning, and the silence from the department's leadership is deafening.

## **AGAINST THE AMERICAN INTEREST**

Last spring, I wrote an essay in *Foreign Affairs* called "The Lost Art of American Diplomacy." It was meant less as an elegy than as a reminder of diplomacy's significance. I'm feeling much more elegiac today.

To clean up the institutional wreckage in the State Department will take many years. The damage to our influence and reputation may prove to be even longer lasting—and harder to repair.

The practical consequences are not hard to discern. If a U.S. ambassador doesn't speak for the president, and the embassy is seen as an enemy of the White House, why would the local government take seriously its diplomatic messages? Why use official channels, rather than speak directly to the president's personal lawyer and his grifting confidants? If the key to unlocking aid is stroking the president's vanity, why undertake the hard work of economic or political reform, with all the risks that entails?

The president's actions distort diplomatic practice and decapitate the American interest. Because of them, a new Ukrainian adminis-

tration is all the more exposed to corruption and democratic backsliding, and all the more vulnerable to Russian manipulation and aggression. Russian President Vladimir Putin, professionally trained to manufacture compromising material on all sorts of opponents, couldn't have produced a more disruptive document than the summary of the Trump-Zelensky call last July, which has sowed political dysfunction in both Washington and Kiev.

By using his public office for personal gain, Trump has affirmed Putin's long-held conviction—shared by autocrats the world over—that Americans are just as venal and self-absorbed as they are, just more hypocritical about it. For dictators, Trump is the gift that keeps on giving, a non-stop advertisement for Western self-dealing. So much for enlightened self-interest. So much for the power of our example. So much for our credibility.

We are digging a deep hole for ourselves in a world that is changing fast, filled with players who won't wait for us to stop digging and a landscape that is quickly hardening against U.S. interests. Our allies are confused. Our adversaries are quick to take advantage. The institutions and coalitions we shaped over decades are wobbling. The confidence of the American people in the power and purpose of disciplined American leadership is evaporating.

## **THE URGENCY OF RENEWAL**

The Trump administration's dereliction of duty takes place at a time when the United States will need to rely on diplomacy more, not less, to advance its interests and values in an ever more competitive world.

I closed my essay six months ago on a reasonably optimistic note. I acknowledged that a long, tough journey lay ahead—that American diplomacy would take a lot longer to fix than it has taken to break. But I also emphasized the opportunity before us, which the malpractice of the Trump administration has thrown into sharp relief. The journey toward renewal will be even more arduous now, and even more urgent.

Joseph Welch, the legendary attorney in the Army-McCarthy hearings, burst the balloon of McCarthyism in 1954 when he posed his unforgettable question: "Have you no sense of decency, sir? At long last, have you left no sense of decency?"

The question was rhetorical then, just as it is today for the McCarthy imitators in and around the Trump administration. Their sense of decency is well hidden, their venality and vindictiveness on full display.

But the decency that burns brightly, and that gives me some lingering faith even in these dark times for American diplomacy, is that which career officers like Yovanovitch have displayed. Their honor and commitment characterize professional diplomacy and public service at their best. So long as those qualities remain intact, however much they are battered in the age of Trump, there is still hope for diplomacy's renewal. 🌍

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# Saving America's Alliances

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## The United States Still Needs the System That Put It on Top

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*Mira Rapp-Hooper*

MARCH/APRIL 2020

**I**n his three years in office, U.S. President Donald Trump has aimed his trademark vitriol at a wide range of targets, both foreign and domestic. Perhaps the most consequential of these is the United States' 70-year-old alliance system. The 45th president has balked at upholding the country's NATO commitments, demanded massive increases in defense spending from such long-standing allies as Japan and South Korea, and suggested that underpaying allies should be left to fight their own wars with shared adversaries. Trump's ire has been so relentless and damaging that U.S. allies in Asia and Europe now question the United States' ability to restore itself as a credible security guarantor, even after a different president is in the White House.

But the tattered state of the alliance system is not Trump's doing alone. After decades of triumph, the United States' alliances have become victims of their own steady success and are now in peril. In the early years of the Cold War, the United States created the alliance system to establish and preserve the balance of power in Asia and Europe. To adapt the phrase of the commentator Walter Lippmann,

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**MIRA RAPP-HOOPER** is Stephen A. Schwarzman Senior Fellow for Asia Studies at the Council on Foreign Relations and a Senior Fellow at Yale Law School's Paul Tsai China Center. She is the author of the forthcoming book *Shields of the Republic: The Triumph and Peril of America's Alliances*.

alliances became the shields of the republic. These pacts and partnerships preserved an uneasy peace among the major industrialized countries until the end of the twentieth century. And they came with far fewer financial and political costs than Trump and some international relations scholars have claimed. When the Soviet Union collapsed, American policymakers wisely preserved this trusty tool of statecraft. But because the United States had no real peer competitors, the alliance system was repurposed for a world of American primacy and lost its focus on defense and deterrence.

Nearly 30 years later, an undeniably powerful China and a revanchist Russia have developed military and nonmilitary strategies that seek to unravel the system entirely. Trump's antagonistic instincts are certainly destructive, but the changing nature of conflict is the true hazard. Faced with cyberattacks, disinformation campaigns, economic coercion, and more, Washington needs its alliance system to preserve order. If the pacts are to be saved, however, they must be renovated for the world they confront: one in which most threats to security and prosperity pass just below the military threshold.

### **A BRAVE NEW WORLD**

World War II transformed the scope and lethality of conflict. The United States had long benefited from its relatively isolated geographic location, but the spread of long-range airpower, missile technology, and nuclear weapons meant that its security was no longer guaranteed. Newly exposed, the United States sought a strategy that would allow it to secure the international balance of power from afar, averting conflicts on its territory and preventing the only other superpower left standing after the war, the Soviet Union, from dominating Asia and Europe. The United States created a network of alliances precisely with these goals in mind. U.S. policymakers reasoned that by acquiring allies and building overseas bases on those countries' territory, Washington would be able to confront crises before they reached the homeland. What's more, with this forceful presence, the United States could practice so-called extended deterrence, dissuading adversaries from starting wars in the first place.

Unlike the alliance systems of the past, the U.S. system was intended to prosecute or deter not a single war but all wars, and to do so indefinitely. The novelty—and the gamble—was that if the new security system worked, the world would see little evidence of its power. This new

approach was a radical departure from the pre-Cold War norm, when the United States considered itself largely self-sufficient and pursued few foreign entanglements; it had no formal allies between the Revolutionary War and World War II. Between 1949 and 1955, in contrast, the United States extended security guarantees to 23 countries in Asia and Europe. By the end of the twentieth century, it had alliances with 37.

The United States' Cold War alliances were successful in meeting the goals that strategists had set out for them. For the duration of the Cold War, no U.S. treaty ally was ever the victim of a major attack. And until the 9/11 attacks, no NATO member had ever invoked the treaty's Article 5 guarantee, which obligates the allies to assist any member state that comes under assault. Of course, Washington had intervened at times to support allies in a fix—helping Taiwan manage Chinese aggression during two crises in 1954–55 and 1958, for example—but it did so chiefly when it saw its own interests at risk and often with the explicit aim of preventing war. In addition to maintaining the balance of power in Asia and Europe, the system contributed to the flourishing of the United States' allies, most notably Japan and West Germany, which became close military partners, consolidated themselves as democracies with vibrant economies, and eventually emerged as leading regional powers.

The alliance system also lowered the cost of U.S. military and political action worldwide. Since the early 1950s, U.S. treaty allies have joined every major war the United States has fought, despite the fact that for almost all these conflicts, they were not required to do so by the terms of their alliances. What's more, the system ensured that the allies' foreign policies supported, rather than undermined, Washington's. The United States used security guarantees to convince South Korea, Taiwan, and West Germany to abandon illicit programs to develop their own nuclear weapons. Other states that, if they had not been included in U.S. alliances, would surely have sought their own military protection—building state-of-the-art armies, navies, and air forces—chose instead to rely on the United States' military might. And by maintaining close defense relationships with a number of those states, the United States also gained support in international institutions for everything from peacekeeping missions to sanctions—support that would otherwise have been much harder to secure. These contributions were crucial, as they allowed the United States to project its power without becoming overstretched.



## **LONELY AT THE TOP**

The alliance system continued to function smoothly until 1991, when the adversary for which the United States' entire security posture had been designed suddenly disintegrated. The Soviet Union vanished, and with it, so did the logic of American security guarantees. Notable international relations scholars—primarily those of a realist orientation—believed that in a unipolar world, U.S. alliances had become outmoded. But U.S. policymakers were unpersuaded. The Cold War system had performed so admirably that they decided it should be retained and repurposed for new objectives. Because the United States was now utterly unmatched in its military and political power, however, their alliance reforms did not focus on defense or deterrence as traditionally understood.

U.S. President Bill Clinton's administration supported the entry of former Eastern-bloc states (such as the Czech Republic, Hungary, and Poland) into NATO in the belief that an expanded Atlantic alliance would help spread democracy and promote stability in post-Soviet eastern Europe—an urgent task given the humanitarian crisis that seized the Balkans with the breakup of Yugoslavia in 1991 and 1992. In other words, Clinton decided to expand the alliance in the aftermath of the Cold War rather than dismantle it. Far from treating Russia as a vanquished adversary, his administration sought to gain Moscow's acquiescence to NATO enlargement. And through the Partnership for Peace—a NATO-backed military-cooperation program designed to build trust with post-Soviet states without officially including them in the alliance—Clinton sought to give eastern European countries ways to associate with NATO without spooking the Russians. For most of the 1990s, as the alliance pushed eastward, this approach appeared to be working: in private, Russian officials even floated the idea that their country might someday join NATO.

But by extending NATO to the Baltic states—Estonia, Latvia, and Lithuania—in 2004, U.S. military planners inadvertently made the alliance much harder to defend. Russia still sought a buffer zone that would keep it safe from western Europe and the United States and saw the countries on its western border as its first line of defense. The United States' old rival, preoccupied by its failing economy, was not deeply troubled by the earlier rounds of NATO expansion. But the situation quickly changed after the Baltic states entered the alliance. Russia invaded Georgia in 2008 and Ukraine in 2014 to ensure that neither

country would join NATO. Along the way, it developed a military strategy designed to demonstrate the United States' inability to defend the Baltics, relying on the prospect of a rapid invasion that would leave Washington with the painful choice between escalation and surrender.

In the meantime, an ascendant China has sought to corrode U.S. alliances in the Pacific. Beginning in the early 1990s, Beijing has invested in missiles and other military technology that would deter the United States from intervening in a conflict close to China's shores—namely, one over Taiwan. By making it costlier for Washington to enter a war, China's leaders have attempted to undermine U.S. security guarantees and demonstrate to U.S. allies in the Pacific that the United States' ability to protect them is waning. After years of dizzying growth that fueled huge increases in military spending, Chinese President Xi Jinping has set his sights higher than his predecessors, seeking to reestablish China as a great power.

Beijing and Moscow have also developed nonmilitary means—economic coercion, cyberwarfare, and political interference—to advance their objectives. China and Russia use these tactics in very different ways, but the underlying logic is the same: to achieve their goals without activating U.S. security guarantees or violating laws against the use of force. In 2007, for instance, Russian cyberattacks paralyzed Estonia, taking down bank and government websites. And between 2014 and 2016, China initiated a massive island-building campaign in the South China Sea, transforming former reefs and rocks into military bases, upending the balance of power, and threatening U.S. allies—namely, the Philippines. In both cases, the transgressions undermined the security of U.S. treaty partners and demonstrated that the pacts were powerless to stop nonmilitary aggression.

To make matters worse, the Trump administration is deeply critical of NATO members and other U.S. allies, a hostility that acts as an accelerant to the geopolitical forces that were already weakening the system of pacts. Unlike previous presidents, who privately pressed U.S. allies to contribute more to the security relationship, Trump engages in the public and arbitrary coercion of U.S. allies, making extravagant spending demands and stating that the United States will abandon them if they do not pay up. (Asked if the United States would defend the Baltics against a Russian attack, for example, Trump replied, "If they fulfill their obligations to us.") In general, Trump views the protection of the American homeland as his near-exclusive

national security objective and places little value on the U.S. military presence abroad, instead fixating on border security. This view is at odds with the United States' long-standing reliance on forward defense and deterrence, which was based on the belief that the homeland is best protected through a network of alliances and overseas bases that keep war from starting.

Trump's alliance shakedown is almost certain to backfire. Some of the costs are already on display: South Korea, for instance, has tilted toward China by using diplomacy to mend previously strained ties and to establish military hotlines. Meanwhile, French President Emmanuel Macron has bemoaned the "brain death" of NATO, and German Chancellor Angela Merkel has questioned whether U.S. allies can trust the United States. If U.S. allies do eventually devote more to defense because of slackened American leadership, they are likely to do so in ways disadvantageous to the United States, spending more on independent forces and strategies rather than assuming protection from and partnership with the United States. U.S. interests may fall by the wayside as a result. For instance, the Trump administration has declared competition with China to be the United States' highest national security priority, and leaders in both political parties agree that the challenge is momentous. To date, however, Washington has found little support among its allies for its campaign against Beijing. The United States can steady the shifting twenty-first-century balance of power only in tandem with its allies in Asia and Europe. Otherwise, it will be a feeble and lonely competition, indeed.

### **THE PRICE OF POWER**

Both the Trump administration and notable international relations scholars worry that the United States' alliances lead to chronic free-riding, allowing U.S. allies to benefit from American security guarantees and military cooperation even though they add comparatively little to the relationship. Nearly every U.S. president has wished that the country's allies would spend more on defense, and there is little doubt that the United States has generally outspent most of its treaty allies in Asia and Europe. The imbalance persists even today: the United States spends over three percent of its GDP on defense; the next-highest spenders among the United States' allies spend 2.5 percent, and many others spend 1.5–2.0 percent. But these numbers are deceptive. The United States, after all, maintains a global

defense posture, whereas its partners generally spend on security in their immediate neighborhoods. What's more, U.S. military spending in such countries as Germany and Japan is largely devoted to a regional defense strategy, as opposed to the defense of a single host ally. There is no reason to expect those countries' defense budgets to be comparable to that of the United States.

U.S. allies also contribute to their alliances with the United States in ways that aren't captured by their defense expenditures—such as by granting low-cost leases for U.S. bases and constructing facilities for use by U.S. troops. Contrary to common perceptions, alliances themselves cost nothing: it is the spending on deployments and infrastructure that results in high costs. And Washington's allies often assume part of the burden. Moreover, the price of the American alliance system has, historically, been an acceptable portion of the U.S. national budget. There is little evidence that alliance-related spending has forced other major tradeoffs or has been a drag on economic growth. And the asymmetry between Washington's spending and that of its allies is a feature of the alliance system, not a bug: it gives the United States more influence over its partners, who depend on American strength for their security.

There is also relatively little evidence that the United States' alliances have imposed major political costs. International relations scholars often fret about "alliance entrapment," which would occur if the United States intervened in crises or conflicts that it might have ignored if it did not have obligations to another state. Yet there is almost no proof of that phenomenon. U.S. allies are no more likely to become involved in conflicts than other states, and although the United States has waged some ill-advised wars—such as the Vietnam War and the Iraq war—no ally was responsible for those decisions. Instead, when Washington has backed its allies in crises, it has done so because it has also had a clear national interest at stake. Moreover, the United States has never found itself in an alliance arrangement that it was unable to exit. In the few cases in which alliances became politically inconvenient, as with the underperforming Southeast Asia Treaty Organization, Washington was able to disentangle itself easily.

Entrapment is uncommon because the United States designed its alliance system to reduce its exposure to risky commitments. Take Taiwan, for instance. In 1955, the United States allied with Chiang Kai-shek, the brash Taiwanese president who still hoped to retake the Chinese mainland. In their negotiations with Chiang over the alliance,

U.S. officials took special care to impress on him that he did not have U.S. backing to attack the People's Republic of China, and they made clear that the treaty they were to sign with him did not apply to the offshore islands that were still in dispute between Taiwan and China. So in 1958, when the two came to loggerheads over those same islands, the United States had the freedom to support its ally only as it saw fit—in this case, by offering diplomatic support and by helping supply the islands. Washington has also been selective in its choice of partners, rejecting requests for security pacts when the associated commitments were too dangerous. Despite a close relationship, the United States has declined to extend formal security guarantees to Israel, for example, calculating that the risk of an unwanted war is too high.

It is no easier to find examples of U.S. allies that have reneged on their commitments to Washington. From the formation of the alliance system until the 9/11 attacks, neither the United States nor any of its partners had been the victim of an unprovoked assault, so there have ultimately been few opportunities for an ally to jilt Washington on the brink of a conflict. This is not to say that the United States has never faced downsides from its alliance system. Chronic, if modest, allied free-riding on U.S. defense spending is surely an annoyance. On rare occasions, moreover, an ally has reneged on its commitments in costlier ways, as French President Charles de Gaulle did when he pulled France out of NATO's military structure but not the alliance altogether. And once the alliance system was put in place, it may have encouraged the United States to define its security needs more expansively than it might have without the pacts. Nevertheless, the system's drawbacks have been far fewer, both in number and in intensity, than some scholars and policymakers would have people believe.

## **RECALIBRATING ALLIANCES**

Despite the U.S. alliance system's manageable cost and incredible success, the United States' ties to its allies are under more scrutiny now than at any time in recent memory. The American public remains broadly supportive of international coalitions, yet for the first time since World War II, U.S. alliances have become deeply politicized. Although foreign policy experts from both political parties defend the system, the Trump administration's core supporters abhor it. With Congress and the public polarized on all manner of issues, the country's alliances could remain objects of controversy even under new leadership.

International forces have not been any kinder to the postwar alliance system. In Asia, relative power is shifting in China's favor. Russia is stagnant but remains a force to be reckoned with. And overall, the United States and its allies together hold a smaller share of global GDP and military spending than they did at the end of the Cold War. Nevertheless, they also have highly developed, technologically sophisticated economies, and their combined defense spending dwarfs that of their rivals. This all suggests that the United States can salvage its wildly successful but badly bruised alliance system, so long as it does so on entirely new terms.

Over the second half of the twentieth century, the nature of conflict changed dramatically. The spread of nuclear weapons and the growth of economic interdependence raised the cost of great-power war to such heights that challengers now seek to avoid it. Although it remains possible that U.S. allies will face major military attacks, this is not terribly likely. China and Russia prefer nonmilitary coercion that will not trigger NATO's Article 5 guarantee. But the United States and its allies need not wait for the United Nations or any other international body to sanction new forms of collective self-defense. International law already allows them to fashion joint responses to actions deemed threatening to their political independence—the very sorts of injuries that result from cyberattacks, election meddling, and extreme economic pressure. Washington and its partners have all the power they need to reform the system, but to succeed, they will have to focus on the challenges to security and prosperity that stop just short of the military threshold.

The United States and its allies must start by rebalancing their respective responsibilities. Although Washington's alliance strategy was affordable during the Cold War, the Trump administration's heavy-handed demand that U.S. allies assume greater costs does contain a kernel of sanity. When the treaty system was formed, the United States' main allies were war-torn states teetering on the brink of collapse. They are now thriving democracies with developed economies capable of contributing to a more symmetric defense effort. Many U.S. allies have trouble increasing their defense budgets for domestic political reasons—their citizens are accustomed to relatively low defense spending and resist budget hikes. The allies can, however, contribute to nonmilitary defense and deterrence, as most of this spending does not show up in military budgets; rather, it appears on foreign affairs, intelligence, and homeland security ledgers. Moreover, com-

pared with the United States' rivals, American treaty allies are leaders in covert information gathering, public diplomacy, and technological research and development. They can also spend more easily in these areas. Like them, the United States will need to reorganize its security expenditures, spending less on the military in favor of the nondefense national security tools necessary to lead alliances.

Even so, the United States will need to keep primary responsibility for high-end military defense, as its allies focus on other missions. Now that the Baltic states are firmly ensconced in NATO, Washington will have to guide its partners toward their credible defense. In particular, NATO allies must improve their military readiness and deter Russian aggression by demonstrating their ability to quickly reach and secure NATO's eastern flank. The military picture in Asia is far more urgent: U.S. partners will have no chance of countering China's growing power without American assistance. Asia must therefore be the United States' primary military theater, with Europe an important but clear second. U.S. spending and presence should reflect those priorities, with more dollars spent on platforms that are intended to deter China and more deployments directed toward the western Pacific.

Despite continued security guarantees, U.S. allies must take primary responsibility for lower-end defense and deterrence. This is only appropriate: China and Russia each use coercion to the greatest effect in their immediate neighborhoods, so such geographically exposed allies as Japan and the Baltics are the frontline states at greatest risk. U.S. allies must assume financial and political leadership roles that place them in charge of specific countercoercion efforts. And they must take the lead in crafting responses that are tailored to their specific needs. After Estonia became the victim of a massive cyberattack allegedly carried out by Russia, for example, it expanded its capabilities in cyberspace and pioneered resilience efforts that will blunt the power of Moscow's cyberwarfare in the future.

But the allies must go further than self-defense: they must devise regional responses to the threats in their respective parts of the world. Australia and Japan, for example, should build up the allies' capabilities in Southeast Asia, to ensure that the assistance that they and the United States give to China's maritime counterclaimants is used efficiently and effectively. And because security issues are no longer clearly bounded by geography, U.S. allies should set up cross-regional working groups to address questions that affect them all, such as cy-

berthreats and foreign investment. The United States should remain an enthusiastic participant in and contributor to these efforts, but the choice of strategies and the development of alliance infrastructure must be subject to the regional partners' initiatives and funded by their investments. The United States cannot credibly claim to expand its defense guarantees to these domains by itself; new deterrence efforts will succeed only if they are truly collective.

Washington and its allies must also acknowledge that they do not always see threats from shared rivals in the same way, and that even when they understand the situation similarly, they may still have disproportionate stakes. Even when the allies might share threat assessments—such as the United States and Japan's common view of China's assertiveness in the East China Sea—the regional ally may have a greater incentive to act, given its proximity to the threat. Japan has indeed taken primary responsibility for the handling of the dispute over the Senkaku Islands (known as the Diaoyu Islands in China), conducting its own coast guard patrols to counter Chinese pressure. Simply by equipping themselves with better information about coercive threats, the United States and its allies can improve their deterrence and their ability to respond, even if they do not view the challenges identically.

To be sure, Chinese and Russian nonmilitary aggression will not usually call for a conventional military response. Hence, the alliance members must work together in a multiyear effort to determine how each pact will confront nonmilitary coercion. Each type of attack may require a different type of response: for instance, cyberspace may be more responsive to deterrence measures than economic coercion. What's more, Washington must commit more concretely to its allies and accept some additional risk of entrapment in new areas if it seeks to strengthen deterrence.

## **REFORM, NOT RESTORATION**

The contemporary debate over the U.S. alliance system has devolved into a false choice between the positions of two camps: antagonists who would prefer to let the system crumble and nostalgic champions who hope to restore it to its post-Cold War zenith. Neither of those positions represents a path forward. If the United States continues to reprimand its allies for underspending as it pursues rapprochement with its adversaries, the system will surely collapse. But a restoration of



the old alliance network is no longer on the table: nostalgists ignore the fact that continued domestic volatility, inexorable power shifts, and the changing nature of conflict itself will make such a return impossible.

The stakes of failing to reform the alliance system could scarcely be higher. If Washington does not act, it will miss the opportunity to protect its dearest interests on relatively favorable terms, before China's growing power and Russia's revanchism undermine the system's proven guarantees. The reform agenda recommended here is vast, but it is far less burdensome than a U.S. foreign policy that cannot rely on allies. The United States can no more go it alone now than it could in the immediate postwar years. Whether the United States has alliances or not, American security and prosperity will still require an open and independent Asia and Europe. Even if Washington pulled back from both theaters, the United States would still face cyberattacks, financial and infrastructural disruptions, and assaults on its democratic institutions. And by retrenching, Washington would lose whatever readiness for conflict it currently has. If the country later joined a war abroad, it would have to do so only after significant time delays and without the allied cooperation that might have allowed it to prevail. Put simply, the United States might fall into a conflict that it could have instead deterred—one now waged with hypersonic speed and destruction.

The United States' alliance system endured because it advanced the country's security and prosperity at a reasonable cost. The network outlasted the Soviet Union, the foe that it was meant to combat, and weathered drastic changes in the nature of conflict. If reformed, this remarkable system can again serve as the fulcrum of U.S. grand strategy and provide defense and deterrence for decades to come. If neglected, it will become irrelevant, just when it is needed most. 🌐

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# When the System Fails

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## COVID-19 and the Costs of Global Dysfunction

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*Stewart Patrick*

JULY/AUGUST 2020

**T**he chaotic global response to the coronavirus pandemic has tested the faith of even the most ardent internationalists. Most nations, including the world's most powerful, have turned inward, adopting travel bans, implementing export controls, hoarding or obscuring information, and marginalizing the World Health Organization (WHO) and other multilateral institutions. The pandemic seems to have exposed the liberal order and the international community as mirages, even as it demonstrates the terrible consequences of faltering global cooperation.

A century ago, when pandemic influenza struck a war-torn world, few multilateral institutions existed. Countries fought their common microbial enemy alone. Today, an array of multilateral mechanisms exists to confront global public health emergencies and address their associated economic, social, and political effects. But the existence of such mechanisms has not stopped most states from taking a unilateral approach.

It is tempting to conclude that multilateral institutions—ostensibly foundational to the rules-based international system—are, at best, less

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**STEWART PATRICK** is James H. Binger Senior Fellow in Global Governance at the Council on Foreign Relations and the author of *The Sovereignty Wars: Reconciling America With the World*.

effective than advertised and, at worst, doomed to fail when they are needed most. But that conclusion goes too far. Weak international cooperation is a choice, not an inevitability.

The dismal multilateral response to the pandemic reflects, in part, the decisions of specific leaders, especially Chinese President Xi Jinping and U.S. President Donald Trump. Their behavior helps explain why the WHO struggled in the initial stages of the outbreak and why forums for multilateral coordination, such as the G-7, the G-20, and the UN Security Council, failed to rise to the occasion.

Just as important is the unique cooperation challenge that the novel coronavirus represents—and the distinctive weakness of the particular institution most central to addressing it. The WHO has a mandate that exceeds its capabilities. Member states have assigned it more and more tasks while limiting its independence and resources, setting the organization up for failure. To the extent that global health governance has failed, it has failed by design, reflecting the ambivalence of states torn between their desire for effective international institutions and their insistence on independent action.

The pandemic has revealed both the limits of the existing multilateral system and the horrific costs of the system's failure. If the current crisis causes policymakers to conclude that multilateralism is doomed and convinces them to provoke its unraveling, they will be setting humanity up for even more costly calamities. If the crisis instead serves as a wake-up call—a spur to invest in a more effective multilateral system—the world will be far better prepared when the next global pandemic strikes, increasing the likelihood that the imperatives of cooperation will win out over the pressures of competition.

### **MISSING IN ACTION**

When the so-called Spanish flu ravaged the world in 1918, global health governance was still in its infancy. Public health had been a national or local matter until the mid-nineteenth century, when revolutions in transport deepened global integration to an unprecedented degree. In 1851, European countries hosted the first International Sanitary Conference, devoted to managing cholera. Over the next six decades, governments would hold 11 more such conferences, negotiate multilateral treaties on infectious disease, and establish new international organizations, including the Pan American Sanitary Bureau and the Office International d'Hygiène Publique.

Yet these arrangements, focused as they were on sanitation, were no match for the Spanish flu. The lack of meaningful international coordination to combat the pandemic left each government to fend for itself. The outbreak quickly became the deadliest public health emergency in modern times, killing an estimated 50 million people worldwide.

It was not until the decades after World War II that countries created a robust infrastructure to manage international public health emergencies. They established hundreds of multilateral organizations and signed thousands of treaties to manage the shared dilemmas of rising interdependence. Among the most prominent of the new instruments was the WHO, which was created as a specialized UN agency in 1948.

Since 2000, the organization has risen markedly in importance, as various new and reemerging infectious diseases have threatened global health and security. The agency managed the global responses to the SARS epidemic in 2003, the H1N1 flu pandemic in 2009, the Ebola epidemic in 2014–16, and the Zika epidemic in 2015–16. In the wake of SARS, the World Health Assembly, the WHO's governing body, strengthened the International Health Regulations, the core legal prescriptions governing state conduct with respect to infectious disease. The new IHR gave the WHO's director general the authority to declare a "public health emergency of international concern" and required member states to increase their pandemic-response capacities.

Meanwhile, an entire multilateral ecosystem of global public health arrangements blossomed alongside the WHO and its IHR, including the Global Alliance for Vaccines and Immunization (now called GAVI, the Vaccine Alliance), the Global Health Security Agenda, the World Bank's Pandemic Emergency Financing Facility, and the Africa Centers for Disease Control and Prevention. The result is a global health infrastructure beyond the wildest dreams of the national leaders who confronted the 1918 influenza pandemic alone.

Amid the current pandemic, however, governments have repeatedly forsaken opportunities for consultation, joint planning, and collaboration, opting instead to adopt nationalist stances that have put them at odds with one another and with the WHO. The result has been a near-total lack of global policy coherence.

In China, the initial epicenter of the coronavirus pandemic, Xi's government was slow to report the outbreak to the WHO, and it resisted full transparency thereafter. What's more, Beijing initially rebuffed offers from the WHO and the U.S. Centers for Disease Control

and Prevention to provide desperately needed scientific expertise in epidemiology and molecular virology. China was also slow to share transmission data and biological samples with the WHO.

Outside China, many countries responded to the novel coronavirus by implementing international travel restrictions. On January 31, Trump ordered the United States closed to foreigners who had recently traveled to China. On March 11, without consulting U.S. allies, he abruptly suspended air travel from Europe to the United States. Brazil, India, Israel, and Russia also implemented pandemic-related border restrictions that month. Other countries, such as France and Germany, either banned or imposed limits on the export of protective medical equipment.

Particularly disappointing on the global stage was the lack of concerted action by the G-7, the G-20, and the UN Security Council. The leaders of the G-7, representing the world's biggest advanced market democracies, failed to meet until early March. Even then, they did little more than highlight their respective border closures. Later that month, a meeting of G-7 foreign ministers dissolved into acrimony when U.S. partners rejected Washington's demand that the final communiqué refer to the virus as "the Wuhan coronavirus," after the Chinese city where it was first discovered.

The G-20, which comprises the world's most important established and emerging economies, operated on a similar timeline, convening to discuss the pandemic for the first time in late March, nearly three months into the outbreak. At their virtual summit, the parties rejected requests from the International Monetary Fund to double its resources and suspend the debt obligations of poor nations. (They have since suspended low-income countries' debt service payments.)

Finally, the Security Council remained missing in action. China, which held the rotating presidency of the Security Council in March, blocked it from considering any resolution about the pandemic, arguing that public health matters fell outside the council's "geopolitical" ambit. (This is plainly untrue: in 2014, for instance, the body passed Resolution 2177, designating the West African Ebola epidemic a "threat to international peace and security.")

The most promising multilateral initiative was the most underresourced. On March 25, UN Secretary-General António Guterres launched a humanitarian response plan to mitigate the effects of the coronavirus on fragile and war-torn states, which are home to approximately a billion people and a majority of the world's poor, as well

as most of its 70 million refugees and internally displaced people. Yet with a budget of just \$2 billion in UN funds, this plan had funding that was less than one-1,000th of what the United States had dedicated to its domestic response by early May.

## **PRIMAL INSTINCTS**

Such shortcomings have prompted observers to conclude that failure is inevitable—that in times of crisis, citizens will look to their own leaders, and governments will care for their own citizens at the expense of global concerns. But the record of other crises in recent years, especially the last global financial crisis, suggests that sovereign states are quite capable of coordinated responses to shared global challenges, provided that their leaders take an enlightened view of their countries' long-term national interests.

In 2008–9, first U.S. President George W. Bush and then President Barack Obama spearheaded a cooperative international response to the global credit crunch, helping prevent the world's descent into another Great Depression. Bush convened the first-ever meeting of the leaders of the G-20 in November 2008. The group met twice more in 2009, Obama's first year in office, coordinating massive stimulus packages to restore global liquidity, expanding the resources and mandates of the International Monetary Fund and the World Bank, and avoiding the type of discriminatory trade and monetary policies that had fragmented and weakened the world economy in the early 1930s. The lesson is clear: multilateral institutions are what states and their leaders make of them.

The late Richard Holbrooke, during his tenure as U.S. ambassador to the UN, made a similar point in criticizing the lazy habit of chastising the UN for failures of multilateralism. Such criticism, Holbrooke said, was akin to “blaming Madison Square Garden when the Knicks lose.” Even during crises, international institutions do not spring autonomously into action. They need to be spurred by their member states, who invariably hold the whip hand. The secretariats of multilateral organizations can take some initiative, but they always do so within constraints, as agents of their sovereign principals. To the degree that global governance exists, states—especially major powers—remain the true governors.

Unfortunately, powerful countries such as the United States and China have failed to play that vital leadership role during the coronavirus crisis. In keeping with his past rhetoric and actions, Trump has followed his “America first” instincts and adopted a nationalist response to the pan-

demic, framing COVID-19, the disease caused by the new coronavirus, not as a threat to global public health but as an assault on the sovereignty of the United States and the safety of its citizens. As when he addresses the issue of immigrants and refugees, his first impulse was to harden U.S. borders against what he insisted on calling a “foreign” or “Chinese” virus. There was no sense in Trump’s reaction that the United States had any responsibility to launch or even participate in a collective global response.

Chinese leaders, meanwhile, have refused to cooperate with their counterparts at the G-20 and the UN because they fear exposure and embarrassment. Deliberations in the UN Security Council, in particular, would have uncovered China’s lack of transparency in handling the initial outbreak, as well as its campaign of misinformation regarding the virus’s origins, sharpening international criticism and frustrating the Chinese Communist Party’s geopolitical designs. China’s desire to avoid those outcomes and the United States’ preoccupation with exposing Chinese mendacity prevented the Security Council from passing a powerful resolution on the coronavirus, one that would have had the binding force of international law, allowing it to cut through political obstacles to cooperation.

In a more cosmopolitan world, other leaders might have filled the vacuum left by Washington’s delinquency and Beijing’s obfuscation. But that is not the world in which the crisis took shape. Over the past dozen years, great-power competition has waxed, and democracy’s fortunes have waned. Ascendant populism and nationalism have weakened the domestic foundations for multilateral cooperation by empowering authoritarian despots and weakening public support for liberal internationalism. Global public health, long insulated from geopolitical rivalry and nationalist demagoguery, has suddenly become a terrain of political combat, crippling the world’s response to the pandemic.

Epidemiological dynamics have also stymied cooperation. Unlike the global financial crisis, which struck most countries at about the same time, the virus has spread gradually and unevenly. The WHO declared the coronavirus a pandemic on March 11, but even today, the contagion’s spread and effects vary widely from country to country. This has frustrated policy coordination, as national and subnational authorities have responded to the outbreak’s ever-shifting epicenter by adopting policies reflecting very different short-term threat assessments.

Infectious diseases evoke far more fear than most other international threats, reinforcing primal instincts to impose barriers and

withdraw into smaller groups, thus militating against multilateral responses. Pandemics may be transnational, but they are fought in the first instance within national jurisdictions, by local communities seeking to protect themselves.

## **RULES AND REGULATIONS**

The persistent weakness of the WHO has been a particular impediment to effective multilateral mobilization against the coronavirus. The WHO is an invaluable repository of scientific expertise, a focal point for global disease surveillance, and a champion of the human right to health. It has helped eradicate several diseases—most notably smallpox—and has put others, such as polio, on the ropes. It has also highlighted the growing threat from noncommunicable diseases of relative affluence, such as obesity and diabetes.

Yet the WHO remains deeply flawed, beset by multiple institutional shortcomings that hamstring its ability to coordinate a pandemic response. Blame rests partly with the WHO's largest funders, including the United States, the United Kingdom, Germany, and Japan, as well as large charities, such as the Bill & Melinda Gates Foundation, which have pressed the organization to expand its agenda without providing commensurate resources, all the while earmarking a growing share of its budget to address select diseases rather than to support robust public health capacities in member states. Bureaucratic impediments—such as a weak chain of command, an indecisive senior leadership, and a lack of accountability—have also undercut the organization's performance.

The WHO's bungled response to the Ebola outbreak in West Africa in 2014 revealed many of these shortcomings. An independent review panel attributed the WHO's poor performance to crippling budget cuts, a paucity of deployable personnel and logistical capacity, and a failure to cultivate relationships with other UN agencies, the private sector, and nongovernmental organizations. Hoping to correct some of those flaws, the World Health Assembly authorized the creation of a new global health emergency workforce and a small contingency fund for rapid response. Neither reform resolved the WHO's deeper structural problems, which the coronavirus has again laid bare.

The biggest impediment to the WHO's success is the failure of its member states to comply fully with the IHR. Following the SARS crisis, in which China and other countries either refused or neglected to report epidemic data in a timely and transparent manner, the World Health



Assembly revised the IHR. The new regulations bolstered the WHO's surveillance capacities, empowered its director general to declare an emergency, and required all member states to develop and maintain minimum core capabilities to prevent, detect, and respond to disease outbreaks.

The coronavirus pandemic has revealed how resistant member states remain to implementing their commitments and how little leverage the WHO has to ensure that they do so. Fifteen years after the IHR were revised, fewer than half of all countries are in compliance, and many nations still lack even rudimentary surveillance and laboratory capacities to detect outbreaks. Since national governments are permitted to self-assess and self-report their progress in implementing the regulations, accountability is minimal.

Even more troubling, the revised IHR include a huge loophole that allows states to defect during emergencies. Countries can impose emergency measures that diverge from WHO guidelines if they believe these will produce superior results, provided they report their plans within 48 hours of implementation. In their early responses to the coronavirus, governments repeatedly used this clause to impose border closures, travel bans, visa restrictions, and quarantines on healthy visitors, regardless of whether these measures had WHO endorsement or any basis in science. Many did not even bother to inform the WHO, forcing it to glean information from media sources and obligating its director general, Tedros Adhanom Ghebreyesus, to dispatch letters reminding member states of their obligations.

The pandemic has also underscored flaws in the WHO's process for declaring an emergency. It was not until January 30 that the WHO finally designated the spread of the new coronavirus as a global emergency, after many countries had shut their borders and grounded commercial aircraft. On top of criticizing the agency's delay, commentators disparaged the WHO's binary, all-or-nothing approach to warnings, calling for a more nuanced spectrum of alerts.

More important, the coronavirus crisis has exposed the lack of protocols to ensure that all nations have access to vaccines. In past outbreaks, such wealthy countries as Australia, Canada, and the United States have hoarded vaccines for domestic use. This continues today. In March, Trump attempted and failed to obtain exclusive U.S. access to a potential coronavirus vaccine that is under development in Germany. Even if governments do not hoard vaccines, there will be widespread disparities in access and distributional capacity.

Finally, the pandemic has raised the specter that some nations may decline to share virus samples, using the Nagoya Protocol on Access and Benefit-Sharing as their justification. The protocol, an international agreement that was adopted in 2010 and that has been ratified by more than 120 countries, serves a worthwhile function: granting nations sovereignty over their biological resources. But its application to human pathogens is an obvious perversion of that objective. During the 2005–7 avian influenza pandemic, Indonesia resisted sharing virus samples, citing the misguided concept of “viral sovereignty.” The Nagoya Protocol increases the likelihood that countries will act similarly today, risking unacceptable delays in scientific analysis of novel viruses and in the development of lifesaving vaccines to stop pandemics.

### **BOWING TO REALITY**

In the wake of this pandemic, one anticipates growing calls to renegotiate the IHR, to strengthen the authority of the WHO, and to increase the obligations of the organization’s member states. Doing so in the current populist climate would be risky, however. Governments might seize the opportunity to claw back even more sovereign prerogatives, weakening the legal foundations for a coordinated global response to a public health emergency.

Throughout the pandemic, the WHO has bent over backward to curry favor with important but difficult partners—no surprise given the power asymmetry between the agency and major donor states. Reliant on Chinese data and cooperation to stem the pandemic, Tedros went to extraordinary lengths early this year to ingratiate himself with Xi and to assuage Chinese sensibilities.

“Let me be clear: this declaration [of an emergency] is not a vote of no confidence in China,” the director general insisted on January 30. “In many ways, China is actually setting a new standard for outbreak response,” he said, gushing. “It’s not an exaggeration.” It was in fact a gross exaggeration, given how China mismanaged the early stages of the epidemic. Multiple critics have taken Tedros to task, labeling him Beijing’s “enabler.”

The WHO’s servility has not been limited to its approach to China, however. The agency has also largely avoided direct criticism of the United States, its largest donor. The reverse, needless to say, has not been true. At an April 7 news conference, Trump took aim at the WHO to deflect attention from his administration’s own poor response to the

outbreak. He falsely accused the agency of stating in January that the coronavirus was “no big deal,” and he promised to “put a hold” on U.S. financial support for the international organization. Tedros pushed back, but ever so gently and obliquely, urging all WHO member states to avoid “politicizing” the coronavirus response. He did not directly refer to either Trump or the United States. For international institutions, it seems, kowtowing is just another way of bowing to reality.

### **GIVE AND YOU SHALL RECEIVE**

In the ensuing months, the WHO and other multilateral institutions have taken some meaningful steps to contain the pandemic and cushion its economic blows. The WHO has served as a leading source of expertise on the virus, sent teams to affected countries, helped poor nations build up their health capacities, advanced worldwide scientific collaboration, combated misinformation, and continued to promote the IHR. Simultaneously, it has shaped the responses of dozens of other UN agencies and affiliated organizations, including the International Civil Aviation Organization, the World Tourism Organization, the UN Refugee Agency, the UN Development Program, the International Monetary Fund, the World Bank, and many, many more.

But a truly empowered WHO could have done more. With enhanced political powers and a more flexible budget, the agency might have spearheaded a coherent multilateral response to the pandemic, persuaded nations to harmonize their border closures and travel restrictions, shamed laggards into fulfilling their binding treaty commitments under the IHR, and deployed significant resources and personnel to the shifting epicenter of the pandemic. The main obstacle to this outcome, and the reason for the haphazard global response, was the persistent ambivalence that all countries, particularly great powers, feel toward global health governance. All governments share a fundamental interest in a multilateral system that can respond quickly and effectively to stop potential pandemics in their tracks. They are less enthusiastic about delegating any of their sovereignty to the WHO, allowing it to circumscribe their freedom of action, or granting it the authorities and capabilities it needs to coordinate a pandemic response.

One lesson that will emerge from the COVID-19 pandemic is that multilateral cooperation can seem awfully abstract, until you actually need it—whether you rely on it to flatten the curve of an epidemic, ensure the safety of airline travel, protect displaced people, or prevent

another global economic meltdown. Another, harder lesson is that the multilateral system is not a self-regulating, autonomous machine that springs into action whenever needed. No amount of technocratic expertise or institutional reform can compensate for the current lack of political direction and sustained leadership in that system. Prominent member states must be wise benefactors to the multilateral system if they want to be its beneficiaries. 🌐



**WHAT  
COMES NEXT?**

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# Why America Must Lead Again

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## Rescuing U.S. Foreign Policy After Trump

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*Joseph R. Biden, Jr.*

MARCH/APRIL 2020

**B**y nearly every measure, the credibility and influence of the United States in the world have diminished since President Barack Obama and I left office on January 20, 2017. President Donald Trump has belittled, undermined, and in some cases abandoned U.S. allies and partners. He has turned on our own intelligence professionals, diplomats, and troops. He has emboldened our adversaries and squandered our leverage to contend with national security challenges from North Korea to Iran, from Syria to Afghanistan to Venezuela, with practically nothing to show for it. He has launched ill-advised trade wars, against the United States' friends and foes alike, that are hurting the American middle class. He has abdicated American leadership in mobilizing collective action to meet new threats, especially those unique to this century. Most profoundly, he has turned away from the democratic values that give strength to our nation and unify us as a people.

Meanwhile, the global challenges facing the United States—from climate change and mass migration to technological disruption and infectious diseases—have grown more complex and more urgent, while the rapid advance of authoritarianism, nationalism, and illiber-

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**JOSEPH R. BIDEN, JR.**, served as Vice President of the United States from 2009 to 2017 and is a candidate for the Democratic presidential nomination.

alism has undermined our ability to collectively meet them. Democracies—paralyzed by hyperpartisanship, hobbled by corruption, weighed down by extreme inequality—are having a harder time delivering for their people. Trust in democratic institutions is down. Fear of the Other is up. And the international system that the United States so carefully constructed is coming apart at the seams. Trump and demagogues around the world are leaning into these forces for their own personal and political gain.

The next U.S. president will have to address the world as it is in January 2021, and picking up the pieces will be an enormous task. He or she will have to salvage our reputation, rebuild confidence in our leadership, and mobilize our country and our allies to rapidly meet new challenges. There will be no time to lose.

As president, I will take immediate steps to renew U.S. democracy and alliances, protect the United States' economic future, and once more have America lead the world. This is not a moment for fear. This is the time to tap the strength and audacity that took us to victory in two world wars and brought down the Iron Curtain.

The triumph of democracy and liberalism over fascism and autocracy created the free world. But this contest does not just define our past. It will define our future, as well.

## **RENEWING DEMOCRACY AT HOME**

First and foremost, we must repair and reinvigorate our own democracy, even as we strengthen the coalition of democracies that stand with us around the world. The United States' ability to be a force for progress in the world and to mobilize collective action starts at home. That is why I will remake our educational system so that a child's opportunity in life isn't determined by his or her zip code or race, reform the criminal justice system to eliminate inequitable disparities and end the epidemic of mass incarceration, restore the Voting Rights Act to ensure that everyone can be heard, and return transparency and accountability to our government.

But democracy is not just the foundation of American society. It is also the wellspring of our power. It strengthens and amplifies our leadership to keep us safe in the world. It is the engine of our ingenuity that drives our economic prosperity. It is the heart of who we are and how we see the world—and how the world sees us. It allows us to self-correct and keep striving to reach our ideals over time.

As a nation, we have to prove to the world that the United States is prepared to lead again—not just with the example of our power but also with the power of our example. To that end, as president, I will take decisive steps to renew our core values. I will immediately reverse the Trump administration’s cruel and senseless policies that separate parents from their children at our border; end Trump’s detrimental asylum policies; terminate the travel ban; order a review of Temporary Protected Status, for vulnerable populations; and set our annual refugee admissions at 125,000, and seek to raise it over time, commensurate with our responsibility and our values. I will reaffirm the ban on torture and restore greater transparency in U.S. military operations, including policies instituted during the Obama-Biden administration to reduce civilian casualties. I will restore a government-wide focus on lifting up women and girls around the world. And I will ensure that the White House is once again the great defender—not the chief assailant—of the core pillars and institutions of our democratic values, from respecting freedom of the press, to protecting and securing the sacred right to vote, to upholding judicial independence. These changes are just a start, a day-one down payment on our commitment to living up to democratic values at home.

I will enforce U.S. laws without targeting particular communities, violating due process, or tearing apart families, as Trump has done. I will secure our borders while ensuring the dignity of migrants and upholding their legal right to seek asylum. I have released plans that outline these policies in detail and describe how the United States will focus on the root causes driving immigrants to our southwestern border. As vice president, I secured bipartisan support for a \$750 million aid program to back up commitments from the leaders of El Salvador, Guatemala, and Honduras to take on the corruption, violence, and endemic poverty driving people to leave their homes there. Security improved and migration flows began to decrease in countries such as El Salvador. As president, I will build on that initiative with a comprehensive four-year, \$4 billion regional strategy that requires countries to contribute their own resources and undertake significant, concrete, verifiable reforms.

I will also take steps to tackle the self-dealing, conflicts of interest, dark money, and rank corruption that are serving narrow, private, or foreign agendas and undermining our democracy. That starts by fighting for a constitutional amendment to completely eliminate private dollars from federal elections. In addition, I will propose a law to



strengthen prohibitions on foreign nationals or governments trying to influence U.S. federal, state, or local elections and direct a new independent agency—the Commission on Federal Ethics—to ensure vigorous and unified enforcement of this and other anticorruption laws. The lack of transparency in our campaign finance system, combined with extensive foreign money laundering, creates a significant vulnerability. We need to close the loopholes that corrupt our democracy.

Having taken these essential steps to reinforce the democratic foundation of the United States and inspire action in others, I will invite my fellow democratic leaders around the world to put strengthening democracy back on the global agenda. Today, democracy is under more pressure than at any time since the 1930s. Freedom House has reported that of the 41 countries consistently ranked “free” from 1985 to 2005, 22 have registered net declines in freedom over the last five years.

From Hong Kong to Sudan, Chile to Lebanon, citizens are once more reminding us of the common yearning for honest governance and the universal abhorrence of corruption. An insidious pandemic, corruption is fueling oppression, corroding human dignity, and equipping authoritarian leaders with a powerful tool to divide and weaken democracies across the world. Yet when the world’s democracies look to the United States to stand for the values that unite the country—to truly lead the free world—Trump seems to be on the other team, taking the word of autocrats while showing disdain for democrats. By presiding over the most corrupt administration in modern American history, he has given license to kleptocrats everywhere.

During my first year in office, the United States will organize and host a global Summit for Democracy to renew the spirit and shared purpose of the nations of the free world. It will bring together the world’s democracies to strengthen our democratic institutions, honestly confront nations that are backsliding, and forge a common agenda. Building on the successful model instituted during the Obama-Biden administration with the Nuclear Security Summit, the United States will prioritize results by galvanizing significant new country commitments in three areas: fighting corruption, defending against authoritarianism, and advancing human rights in their own nations and abroad. As a summit commitment of the United States, I will issue a presidential policy directive that establishes combating corruption as a core national security interest and democratic responsibility, and I will lead efforts internationally to bring transparency to

the global financial system, go after illicit tax havens, seize stolen assets, and make it more difficult for leaders who steal from their people to hide behind anonymous front companies.

The Summit for Democracy will also include civil society organizations from around the world that stand on the frontlines in defense of democracy. And the summit members will issue a call to action for the private sector, including technology companies and social media giants, which must recognize their responsibilities and overwhelming interest in preserving democratic societies and protecting free speech. At the same time, free speech cannot serve as a license for technology and social media companies to facilitate the spread of malicious lies. Those companies must act to ensure that their tools and platforms are not empowering the surveillance state, gutting privacy, facilitating repression in China and elsewhere, spreading hate and misinformation, spurring people to violence, or remaining susceptible to other misuse.

### **A FOREIGN POLICY FOR THE MIDDLE CLASS**

Second, my administration will equip Americans to succeed in the global economy—with a foreign policy for the middle class. To win the competition for the future against China or anyone else, the United States must sharpen its innovative edge and unite the economic might of democracies around the world to counter abusive economic practices and reduce inequality.

Economic security is national security. Our trade policy has to start at home, by strengthening our greatest asset—our middle class—and making sure that everyone can share in the success of the country, no matter one's race, gender, zip code, religion, sexual orientation, or disability. That will require enormous investments in our infrastructure—broadband, highways, rail, the energy grid, smart cities—and in education. We must give every student the skills necessary to obtain a good twenty-first-century job; make sure every single American has access to quality, affordable health care; raise the minimum wage to \$15 an hour; and lead the clean economy revolution to create ten million good new jobs—including union jobs—in the United States.

I will make investment in research and development a cornerstone of my presidency, so that the United States is leading the charge in innovation. There is no reason we should be falling behind China or anyone else when it comes to clean energy, quantum computing, artificial intelligence, 5G, high-speed rail, or the race to end

cancer as we know it. We have the greatest research universities in the world. We have a strong tradition of the rule of law. And most important, we have an extraordinary population of workers and innovators who have never let our country down.

A foreign policy for the middle class will also work to make sure the rules of the international economy are not rigged against the United States—because when American businesses compete on a fair playing field, they win. I believe in fair trade. More than 95 percent of the world's population lives beyond our borders—we want to tap those markets. We need to be able to build the very best in the United States and sell the very best around the world. That means taking down trade barriers that penalize Americans and resisting a dangerous global slide toward protectionism. That's what happened a century ago, after World War I—and it exacerbated the Great Depression and helped lead to World War II.

The wrong thing to do is to put our heads in the sand and say no more trade deals. Countries will trade with or without the United States. The question is, Who writes the rules that govern trade? Who will make sure they protect workers, the environment, transparency, and middle-class wages? The United States, not China, should be leading that effort.

As president, I will not enter into any new trade agreements until we have invested in Americans and equipped them to succeed in the global economy. And I will not negotiate new deals without having labor and environmental leaders at the table in a meaningful way and without including strong enforcement provisions to hold our partners to the deals they sign.

China represents a special challenge. I have spent many hours with its leaders, and I understand what we are up against. China is playing the long game by extending its global reach, promoting its own political model, and investing in the technologies of the future. Meanwhile, Trump has designated imports from the United States' closest allies—from Canada to the European Union—as national security threats in order to impose damaging and reckless tariffs. By cutting us off from the economic clout of our partners, Trump has kneecapped our country's capacity to take on the real economic threat.

The United States does need to get tough with China. If China has its way, it will keep robbing the United States and American companies of their technology and intellectual property. It will also keep using subsidies to give its state-owned enterprises an unfair advantage—and a leg up on dominating the technologies and industries of the future.

The most effective way to meet that challenge is to build a united front of U.S. allies and partners to confront China's abusive behaviors and human rights violations, even as we seek to cooperate with Beijing on issues where our interests converge, such as climate change, nonproliferation, and global health security. On its own, the United States represents about a quarter of global GDP. When we join together with fellow democracies, our strength more than doubles. China can't afford to ignore more than half the global economy. That gives us substantial leverage to shape the rules of the road on everything from the environment to labor, trade, technology, and transparency, so they continue to reflect democratic interests and values.

### **BACK AT THE HEAD OF THE TABLE**

The Biden foreign policy agenda will place the United States back at the head of the table, in a position to work with its allies and partners to mobilize collective action on global threats. The world does not organize itself. For 70 years, the United States, under Democratic and Republican presidents, played a leading role in writing the rules, forging the agreements, and animating the institutions that guide relations among nations and advance collective security and prosperity—until Trump. If we continue his abdication of that responsibility, then one of two things will happen: either someone else will take the United States' place, but not in a way that advances our interests and values, or no one will, and chaos will ensue. Either way, that's not good for America.

American leadership is not infallible; we have made missteps and mistakes. Too often, we have relied solely on the might of our military instead of drawing on our full array of strengths. Trump's disastrous foreign policy record reminds us every day of the dangers of an unbalanced and incoherent approach, and one that defunds and denigrates the role of diplomacy.

I will never hesitate to protect the American people, including, when necessary, by using force. Of all the roles a president of the United States must fill, none is more consequential than that of commander in chief. The United States has the strongest military in the world, and as president, I will ensure it stays that way, making the investments necessary to equip our troops for the challenges of this century, not the last one. But the use of force should be the last resort, not the first. It should be used only to defend U.S. vital interests, when the objective is clear and achievable, and with the informed consent of the American people.

It is past time to end the forever wars, which have cost the United States untold blood and treasure. As I have long argued, we should bring the vast majority of our troops home from the wars in Afghanistan and the Middle East and narrowly define our mission as defeating al Qaeda and the Islamic State (or ISIS). We should also end our support for the Saudi-led war in Yemen. We must maintain our focus on counterterrorism, around the world and at home, but staying entrenched in unwinnable conflicts drains our capacity to lead on other issues that require our attention, and it prevents us from rebuilding the other instruments of American power.

We can be strong and smart at the same time. There is a big difference between large-scale, open-ended deployments of tens of thousands of American combat troops, which must end, and using a few hundred Special Forces soldiers and intelligence assets to support local partners against a common enemy. Those smaller-scale missions are sustainable militarily, economically, and politically, and they advance the national interest.

Yet diplomacy should be the first instrument of American power. I am proud of what American diplomacy achieved during the Obama-Biden administration, from driving global efforts to bring the Paris climate agreement into force, to leading the international response to end the Ebola outbreak in West Africa, to securing the landmark multilateral deal to stop Iran from obtaining nuclear weapons. Diplomacy is not just a series of handshakes and photo ops. It is building and tending relationships and working to identify areas of common interest while managing points of conflict. It requires discipline, a coherent policymaking process, and a team of experienced and empowered professionals. As president, I will elevate diplomacy as the United States' principal tool of foreign policy. I will reinvest in the diplomatic corps, which this administration has hollowed out, and put U.S. diplomacy back in the hands of genuine professionals.

Diplomacy also requires credibility, and Trump has shattered ours. In the conduct of foreign policy, and especially in times of crisis, a nation's word is its most valuable asset. By pulling out of treaty after treaty, reneging on policy after policy, walking away from U.S. responsibilities, and lying about matters big and small, Trump has bankrupted the United States' word in the world.

He has also alienated the United States from the very democratic allies it needs most. He has taken a battering ram to the NATO alliance, treating it like an American-run protection racket. Our allies should do

their fair share, which is why I'm proud of the commitments the Obama-Biden administration negotiated to ensure that NATO members increase their defense spending (a move Trump now claims credit for). But the alliance transcends dollars and cents; the United States' commitment is sacred, not transactional. NATO is at the very heart of the United States' national security, and it is the bulwark of the liberal democratic ideal—an alliance of values, which makes it far more durable, reliable, and powerful than partnerships built by coercion or cash.

As president, I will do more than just restore our historic partnerships; I will lead the effort to reimagine them for the world we face today. The Kremlin fears a strong NATO, the most effective political-military alliance in modern history. To counter Russian aggression, we must keep the alliance's military capabilities sharp while also expanding its capacity to take on nontraditional threats, such as weaponized corruption, disinformation, and cybertheft. We must impose real costs on Russia for its violations of international norms and stand with Russian civil society, which has bravely stood up time and again against President Vladimir Putin's kleptocratic authoritarian system.

Working cooperatively with other nations that share our values and goals does not make the United States a chump. It makes us more secure and more successful. We amplify our own strength, extend our presence around the globe, and magnify our impact while sharing global responsibilities with willing partners. We need to fortify our collective capabilities with democratic friends beyond North America and Europe by reinvesting in our treaty alliances with Australia, Japan, and South Korea and deepening partnerships from India to Indonesia to advance shared values in a region that will determine the United States' future. We need to sustain our ironclad commitment to Israel's security. And we need to do more to integrate our friends in Latin America and Africa into the broader network of democracies and to seize opportunities for cooperation in those regions.

In order to regain the confidence of the world, we are going to have to prove that the United States says what it means and means what it says. This is especially important when it comes to the challenges that will define our time: climate change, the renewed threat of nuclear war, and disruptive technology.

The United States must lead the world to take on the existential threat we face—climate change. If we don't get this right, nothing else will matter. I will make massive, urgent investments at home that put

the United States on track to have a clean energy economy with net-zero emissions by 2050. Equally important, because the United States creates only 15 percent of global emissions, I will leverage our economic and moral authority to push the world to determined action. I will rejoin the Paris climate agreement on day one of a Biden administration and then convene a summit of the world's major carbon emitters, rallying nations to raise their ambitions and push progress further and faster. We will lock in enforceable commitments that will reduce emissions in global shipping and aviation, and we will pursue strong measures to make sure other nations can't undercut the United States economically as we meet our own commitments. That includes insisting that China—the world's largest emitter of carbon—stop subsidizing coal exports and outsourcing pollution to other countries by financing billions of dollars' worth of dirty fossil fuel energy projects through its Belt and Road Initiative.

On nonproliferation and nuclear security, the United States cannot be a credible voice while it is abandoning the deals it negotiated. From Iran to North Korea, Russia to Saudi Arabia, Trump has made the prospect of nuclear proliferation, a new nuclear arms race, and even the use of nuclear weapons more likely. As president, I will renew our commitment to arms control for a new era. The historic Iran nuclear deal that the Obama-Biden administration negotiated blocked Iran from getting a nuclear weapon. Yet Trump rashly cast the deal aside, prompting Iran to restart its nuclear program and become more provocative, raising the risk of another disastrous war in the region. I'm under no illusions about the Iranian regime, which has engaged in destabilizing behavior across the Middle East, brutally cracked down on protesters at home, and unjustly detained Americans. But there is a smart way to counter the threat that Iran poses to our interests and a self-defeating way—and Trump has chosen the latter. The recent killing of Qasem Soleimani, the commander of Iran's Quds Force, removed a dangerous actor but also raised the prospect of an ever-escalating cycle of violence in the region, and it has prompted Tehran to jettison the nuclear limits established under the nuclear deal. Tehran must return to strict compliance with the deal. If it does so, I would rejoin the agreement and use our renewed commitment to diplomacy to work with our allies to strengthen and extend it, while more effectively pushing back against Iran's other destabilizing activities.

With North Korea, I will empower our negotiators and jump-start a sustained, coordinated campaign with our allies and others, including China, to advance our shared objective of a denuclearized North Korea. I will also pursue an extension of the New START treaty, an anchor of strategic stability between the United States and Russia, and use that as a foundation for new arms control arrangements. And I will take other steps to demonstrate our commitment to reducing the role of nuclear weapons. As I said in 2017, I believe that the sole purpose of the U.S. nuclear arsenal should be deterring—and, if necessary, retaliating against—a nuclear attack. As president, I will work to put that belief into practice, in consultation with the U.S. military and U.S. allies.

When it comes to technologies of the future, such as 5G and artificial intelligence, other nations are devoting national resources to dominating their development and determining how they are used. The United States needs to do more to ensure that these technologies are used to promote greater democracy and shared prosperity, not to curb freedom and opportunity at home and abroad. For example, a Biden administration will join together with the United States' democratic allies to develop secure, private-sector-led 5G networks that do not leave any community, rural or low income, behind. As new technologies reshape our economy and society, we must ensure that these engines of progress are bound by laws and ethics, as we have done at previous technological turning points in history, and avoid a race to the bottom, where the rules of the digital age are written by China and Russia. It is time for the United States to lead in forging a technological future that enables democratic societies to thrive and prosperity to be shared broadly.

These are ambitious goals, and none of them can be reached without the United States—flanked by fellow democracies—leading the way. We are facing adversaries, both externally and internally, hoping to exploit the fissures in our society, undermine our democracy, break up our alliances, and bring about the return of an international system where might determines right. The answer to this threat is more openness, not less: more friendships, more cooperation, more alliances, more democracy.

## **PREPARED TO LEAD**

Putin wants to tell himself, and anyone else he can dupe into believing him, that the liberal idea is “obsolete.” But he does so because he is afraid of its power. No army on earth can match the way the electric



idea of liberty passes freely from person to person, jumps borders, transcends languages and cultures, and supercharges communities of ordinary citizens into activists and organizers and change agents.

We must once more harness that power and rally the free world to meet the challenges facing the world today. It falls to the United States to lead the way. No other nation has that capacity. No other nation is built on that idea. We have to champion liberty and democracy, reclaim our credibility, and look with unrelenting optimism and determination toward our future. 🌍

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# The Transformation of Diplomacy

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## How to Save the State Department

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*William J. Burns and Linda Thomas-Greenfield*

NOVEMBER/DECEMBER 2020

**W**e joined the U.S. Foreign Service nearly 40 years ago in the same entering class, but we took very different paths to get there. One of us grew up amid hardship and segregation in the Deep South, the first in her family to graduate from high school, a Black woman joining a profession that was still very male and very pale. The other was the product of an itinerant military childhood that took his family from one end of the United States to the other, with a dozen moves and three high schools by the time he was 17.

There were 32 of us in the Foreign Service's class of January 1982. It was an eclectic group that included former Peace Corps volunteers, military veterans, a failed rock musician, and an ex-Catholic priest. None of us retained much from the procession of enervating speakers describing their particular islands in the great archipelago of U.S. foreign policy. What we did learn early on, and what stayed true throughout our careers, is that smart and sustained investment in people is the

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**WILLIAM J. BURNS** is President of the Carnegie Endowment for International Peace. He was U.S. Deputy Secretary of State from 2011 to 2014.

**LINDA THOMAS-GREENFIELD** is Senior Vice President at the Albright Stonebridge Group. She was U.S. Assistant Secretary of State for African Affairs from 2013 to 2017.

They served as Co-Chairs of the Advisory Committee for a forthcoming Council on Foreign Relations Special Report, *Revitalizing the State Department and American Diplomacy*.

key to good diplomacy. Well-intentioned reform efforts over the years were crippled by faddishness, budgetary pressures, the overmilitarization of foreign policy, the State Department's lumbering bureaucracy, a fixation on structure, and—most of all—inattention to people.

The Trump administration also learned early on that people matter, and so it made them the primary target of what the White House aide Steve Bannon termed “the deconstruction of the administrative state.” That is what has made the administration's demolition of the State Department and so many other government institutions so effective and ruinous. Tapping into popular distrust of expertise and public institutions, President Donald Trump has made career public servants—government meteorologists, public health specialists, law enforcement professionals, career diplomats—convenient targets in the culture wars. Taking aim at an imaginary “deep state,” he has instead created a weak state, an existential threat to the country's democracy and the interests of its citizens.

The wreckage at the State Department runs deep. Career diplomats have been systematically sidelined and excluded from senior Washington jobs on an unprecedented scale. The picture overseas is just as grim, with the record quantity of political appointees serving as ambassadors matched by their often dismal quality. The most recent ambassador in Berlin, Richard Grenell, seemed intent on antagonizing as many Germans as he could—not only with ornery lectures but also through his support for far-right political parties. The ambassador in Budapest, David Cornstein, has developed a terminal case of “clentitis,” calling Hungary's authoritarian, civil-liberties-bashing leader “the perfect partner.” And the U.S. ambassador to Iceland, Jeffrey Ross Gunter, has churned through career deputies at a stunning pace, going through no fewer than seven in less than two years at his post.

In Washington, career public servants who worked on controversial issues during the Obama administration, such as the Iran nuclear negotiations, have been smeared and attacked, their careers derailed. Colleagues who upheld their constitutional oaths during the Ukraine impeachment saga were maligned and abandoned by their own leadership. In May, the State Department's independent inspector general, Steve Linick, was fired after doing what his job required him to do: opening an investigation into Secretary of State Mike Pompeo's alleged personal use of government resources. Battered and belittled, too many career officials have been tempted to go along to get along.

That undercuts not only morale but also a policy process that depends on apolitical experts airing contrary views, however inconvenient they may be to the politically appointed leadership.

Not surprisingly, the Foreign Service has experienced the biggest drop in applications in more than a decade. Painfully slow progress on recruiting a more diverse workforce has slid into reverse. It is a depressing fact that today only four of the 189 U.S. ambassadors abroad are Black—hardly a convincing recruiting pitch for woefully underrepresented communities.

No amount of empty rhetoric about ethos and swagger can conceal the institutional damage. After four years of relentless attacks by the Trump administration and decades of neglect, political paralysis, and organizational drift, U.S. diplomacy is badly broken. But it is not beyond repair, at least not yet. What is needed now is a great renewal of diplomatic capacity, an effort that balances ambition with the limits of the possible at a moment of growing difficulties at home and abroad. The aim should be not to restore the power and purpose of U.S. diplomacy as it once was but to reinvent it for a new era. Accomplishing that transformation demands a focused, disciplined reform effort—one that is rooted in the people who animate U.S. diplomacy.

## **REFORM AND RENEWAL**

The State Department is capable of reform. The challenge has always been to link that reform to wise statecraft and adequate funding. After 9/11, with uncommon speed and few additional resources, the department managed to retrofit itself to help prosecute the war on terrorism and take on the new imperatives of stabilization and reconstruction in Afghanistan and Iraq, along with smaller but still complex missions from sub-Saharan Africa to Southeast Asia. New training and incentives were put into play, and a generation of career Foreign Service officers was shaped by tours in conflict zones. Diplomats quickly became secondary players to the military, preoccupied with the kind of nation-building activities that were beyond the capacity of Americans to accomplish. It was easy to lose sight of the distinctive role of the U.S. Foreign Service—the classic, head-banging work of persuading senior national leaders to bridge sectarian divides and pursue a more inclusive political order while standing up for human rights.

Although the transformation of the State Department into a more expeditionary and agile institution was healthy in many respects, it was

also distorting. It was tethered to a fundamentally flawed strategy—one that was too narrowly focused on terrorism and too wrapped up in magical thinking about the United States' supposed power to transform regions and societies. It paid too little attention to a rapidly changing international landscape in which geopolitical competition with a rising China and a resurgent Russia was accelerating and mammoth global challenges, such as climate change, were looming. It also neglected what was happening at home—the powerful storms of globalization that had left many communities and parts of the economy underwater and would soon overwhelm the United States' political levees.

The contours of a new agenda for diplomatic reform have to flow from a sensible reinvention of the United States' role in the world. The restoration of American hegemony is not in the cards, given China's rise and the diffusion of global power. Retrenchment is similarly illusory, since the United States cannot insulate itself from outside challenges that matter enormously to its domestic health and security.

Instead, U.S. diplomacy has to accept the country's diminished, but still pivotal, role in global affairs. It has to apply greater restraint and discipline; it must develop a greater awareness of the United States' position and more humility about the wilting power of the American example. It has to reflect the overriding priority of accelerating domestic renewal and strengthening the American middle class, at a time of heightened focus on racial injustice and economic inequality. And it has to take aim at other crucial priorities. One is to mobilize coalitions to deal with transnational challenges and ensure greater resilience in American society to the inevitable shocks of climate change, cyberthreats, and pandemics. Another is to organize wisely for geopolitical competition with China.

## **INVESTING IN PEOPLE**

The ultimate measure of any reform effort is whether it attracts, unlocks, retains, and invests in talent. The last thing the State Department needs is another armada of consultants descending on Foggy Bottom with fancy slide decks full of new ideas about how the department should look. It's time to focus on—and listen to—the people who drive U.S. diplomacy: the Foreign Service professionals who rotate through posts around the world, the civil service employees whose expertise anchors the department at home, and the foreign-national staff who drive so much of the work of U.S. embassies and consulates.

To start, the United States needs a top-to-bottom diplomatic surge. The Trump administration's unilateral diplomatic disarmament is a reminder that it is much easier to break than to build. The country doesn't have the luxury of waiting for a generational replenishment, marking time as new recruits slowly work their way up the ranks. Since 2017, nearly a quarter of the senior Foreign Service has left. That includes the departure of 60 percent of career ambassadors, the equivalent of four-star generals in the military. In the junior and mid-career ranks, the picture is also bleak. According to the Federal Employee Viewpoint Survey, as many as a third of current employees in some parts of the State Department are considering leaving—more than double the share in 2016.

A diplomatic surge will have to incorporate ideas that in the past have seemed heretical to the department and its career staff but that today are inescapable. These include bringing back select personnel with critical expertise who were forced out over the past four years; creating midcareer pathways into the Foreign Service, including lateral entry from the civil service; and offering opportunities for Americans with unique skills (in new technologies or global health, for example) to serve their country through fixed-term appointments. Another useful initiative would be to create a “diplomatic reserve corps” made up of former Foreign Service and civil service midlevel officers and spouses with professional experience who could take on shorter or fixed-term assignments abroad and in Washington. Still another idea would be to create an ROTC-like program for college students, an initiative that would broaden understanding of the diplomatic profession across society and provide financial support to those preparing for diplomatic careers.

All these ideas would have landed in the “too hard” pile when we were serving. But the reality today is that the State Department simply cannot afford to continue its bad habits of offering inflexible career tracks, imposing self-defeating hiring constraints, and encouraging tribal inbreeding among its cloistered ranks.

Another major priority is the need to treat the lack of diversity in the diplomatic corps as a national security crisis. It not only undermines the power of the United States' example; it also suffocates the potential of the country's diplomacy. Study after study has shown that more diverse organizations are more effective and innovative organizations. At the very moment when American diplomacy could benefit most from

fresh perspectives and a closer connection to the American people, the diplomatic corps is becoming increasingly homogeneous and detached, undercutting the promotion of American interests and values.

The top four ranks of the Foreign Service are whiter today than they were two decades ago; only ten percent are people of color. Just seven percent of the overall Foreign Service is made up of Black people, and just seven percent are Hispanic—well below each group’s representation in the U.S. labor force. Meanwhile, the Trump administration has reversed a more than quarter-century-long push to appoint more female ambassadors. Overall female representation in the Foreign Service remains roughly the same today as it was in 2000—still 25 percent below female representation in the wider U.S. labor force. These trends have effectively undone much of the progress made following the settlement of two class-action discrimination suits shortly after we entered the Foreign Service.

The State Department should make an unambiguous commitment that by 2030, America’s diplomats will, at long last, resemble the country they represent. Achieving this goal will require making diversity a key feature of the diplomatic surge at every point along the career pipeline. It will demand an unshakable commitment to diverse candidates and gender parity in senior appointments. And it will require the State Department’s leadership to hold itself accountable by not only getting departmental data in order and making the information accessible to the public but acting on it, as well, with clear annual benchmarks for progress. Lower promotion rates for racial and ethnic minorities and the precipitous drop-off in the number of women and minorities in the senior ranks are flashing red warning lights of structural discrimination.

The State Department ought to invest much more in mentorship, coaching, and diversity and inclusion training. It has to make its career track more responsive to the expectations of today’s workforce for a work-life balance rather than perpetuate the imbalance that has prevented too many talented Americans—disproportionally those from underrepresented groups—from serving their country. The department has to pay more attention to the particular hazards facing minorities serving overseas, including LGBTQ employees. And it has to revise its promotion criteria to require personnel to foster diverse, inclusive, and equitable workplaces.

To succeed in both a serious diplomatic surge and a historic new campaign for diversity and inclusion, the department must commit to

winning the war for talent. The entrance exams to the Foreign Service are designed to weed out candidates rather than recruit the most talented ones. Too much of a premium is placed on written and oral examinations and too little on a candidate's résumé, academic performance, skills, expertise, and life experiences. The whole process can seem interminable—taking as long as two years from start to finish and inadvertently benefiting candidates who have the means to hold out. After hiring their diplomats, the most effective diplomatic services spend up to three years training them. The Foreign Service Institute still spends only six weeks testing the mettle of its recruits; the only real difference from our experience many years ago is that the tedious lectures now feature PowerPoint presentations.

Once on assignment, there is no rigorous, doctrinal approach to the art of diplomacy and no system for after-action reviews. The personnel evaluation process consumes three months of an officer's time, with no commensurate accountability for, let alone improvement in, individual or collective performance. Opportunities for midcareer graduate or professional education are scarce and carry little weight with promotion panels. The effect is often to penalize employees who receive extra training or undertake assignments to other agencies or to Congress. They should be rewarded instead.

Senior leadership positions are increasingly out of reach for career personnel. Over the past few decades, the proportion of political appointees to career appointees at the State Department, reaching down to the deputy assistant secretary level, has grown far higher than at any other national security agency. That worrisome trend—like so many others during the Trump era—has worsened dramatically. Today, only one of the 28 positions at the assistant secretary level at the State Department is filled by an active-duty career officer confirmed by the U.S. Senate—the lowest number ever. A record share of ambassadors are also political appointees as opposed to professional diplomats, a significant blow to morale and to diplomatic effectiveness. In a reformed State Department, at least half the assistant secretary jobs and three-quarters of the ambassadorial appointments should be held by well-qualified career officers. The remaining political appointments should be driven by substantive qualifications and diversity considerations, not campaign donations.

To unlock its potential, the State Department must increase its staffing pipelines to deepen its officers' command of core diplomatic



skills and fluency in areas of growing importance, such as climate change, technology, public health, and humanitarian diplomacy. In the traditional area of economics, the State Department must strengthen its capabilities significantly—working closely with the Commerce and Treasury Departments—and promote the interests of American workers with the same zeal with which it has promoted the interests of corporate America.

The State Department also needs to rethink how and where it invests in language studies. One out of every four positions designated as requiring foreign-language skills is filled by an officer who does not in fact meet the minimum language requirements. The State Department trains nearly twice as many Portuguese speakers as it does Arabic or Chinese speakers. It should expand opportunities for mid-career graduate studies and incentivize continuous learning as a requirement for promotion. It should also streamline the evaluation process by determining personnel assignments on the basis of performance, expertise, and leadership development rather than through a process of competitive, careerist bidding built on connections and “corridor,” or word-of-mouth, reputations.

## **A NEW CULTURE**

Part of investing in people means investing in the technology that allows them to realize their full potential. A more digital, agile, collaborative, and data-centric diplomatic corps depends on more robust and secure communications tools. Today, too many diplomats lack access to classified systems and technology, especially on the road. That leaves them more vulnerable to foreign intelligence and unable to keep up with other U.S. national security agencies. The COVID-19 pandemic has thrown into sharp relief the need to reimagine how to conduct diplomacy remotely or virtually.

Technology can no longer be seen as a luxury good for diplomacy. The last big technological push at the State Department came during Colin Powell’s tenure as secretary of state, nearly two decades ago, when the department began to set aside its mini-fridge-sized desktop computers and move cautiously into the modern age. It is long past time for another major effort. To enhance the department’s technological platforms, the State Department should appoint a chief technology officer reporting directly to the secretary of state. That official should work with the U.S. Digital Service—an information technol-

ogy consulting group within the executive branch that was created in 2014—to make internal systems, foreign aid, and public diplomacy more effective. Just as the department’s chief economist helps diplomats understand the impact of global economic trends on U.S. interests, the chief technology officer should help diplomats grapple with disruptive technologies and leverage private-sector talent.

But technology is not the only—or the most important—aspect of the State Department’s culture that must change. A systemic reluctance to tolerate physical risk has led to the proliferation of fortress-style embassies that can trap personnel behind chancery walls and isolate them from the people they should be meeting, not only foreign officials but also members of civil society. This has also led to an ever-growing number of posts where officers can’t be joined by family members, shorter tours, misaligned assignment incentives, lower morale, and less effective diplomacy.

A torpid bureaucratic culture is no less significant. Policy information and recommendations often amass 15 or more sign-offs before reaching the secretary of state’s office, suffocating initiative and stifling debate. Unstaffed Foreign Service positions create an imbalance between Washington and the field that prevents decentralized decision-making. And a rigid promotion structure incentivizes careerism over political or moral bravery.

A seismic cultural shift is needed to create a more upstanding, courageous, and agile institution, with greater tolerance for risk and a simplified, decentralized decision-making process. The State Department must get out of its own way—delegating responsibility downward in Washington and outward to qualified chiefs of mission overseas and reducing the number of undersecretaries and top-level staff members to avoid duplicative authority and inefficiencies. Initiative should be prized, and the passive-aggressive habit of waiting for guidance from above should be discouraged.

The department ought to discard the current cumbersome process for clearing papers and policy recommendations and start from scratch. A new, more flexible framework would allow expertise in Washington and in the field to be quickly distilled into cogent policy proposals and would grant embassies in the field more autonomy to implement the resulting decisions. The State Department’s leaders must also offer political top cover for constructive dissent, supplanting the corrosive “keep your head down” culture with an “I have your back” mentality—

in other words, the exact opposite of how the State Department treated its diplomats during the 2019 impeachment hearings.

### **CHANGE THAT LASTS**

Any effort to reform the State Department should start from within. It should focus in the first year of a new administration or a new term on what can be accomplished under existing authorities and without significant new appropriations. That is the moment of greatest opportunity to set a new direction—and the moment of greatest vulnerability to the habitual traps of bureaucratic inertia, overly elaborate and time-consuming restructuring plans, partisan bickering, and distracting forays into the capillaries of reform rather than its arteries.

If the department can take the initiative and demonstrate progress on its own, that would be the best advertisement for sustained congressional support and White House backing for a new emphasis on diplomacy. It would be the best way to show that U.S. diplomats are ready to earn their way back to a more central role. It could help generate momentum for a rebalancing of national security budget priorities at a moment when U.S. rivals are not standing still; in recent years, the Chinese have doubled their spending on diplomacy and greatly expanded their presence overseas.

With a sturdy foundation of reforms laid, the next step would be to codify them in the first major congressional legislation on U.S. diplomacy in 40 years. The last Foreign Service Act, passed in 1980, modernized the mission and structure of the State Department, building on acts from 1924 and 1946. A new act would be crucial to making reforms durable. It would also help shape a style of diplomacy that is fit for an increasingly competitive international landscape and better equipped to serve the priority of domestic renewal. Serious, lasting transformation of U.S. diplomacy will be very hard. But it matters enormously to the future of American democracy in an unforgiving world.

We both bear the professional scars, and have enjoyed the rewards, of many eventful years as career diplomats. We saw plenty of examples of skill and bravery among our colleagues in hard situations around the world—from the horrific genocidal violence of Rwanda and the epic turmoil of post-Soviet Russia in the 1990s to the later challenges of ambassadorial postings in Liberia after its civil war and in Jordan in the midst of a once-in-a-half-century royal succession. We saw how U.S. diplomats can produce tangible results, whether by holding secret

talks with adversaries, mobilizing other countries to ease the plight of refugees, or promoting American jobs and economic opportunities.

Through it all, however, we still remember vividly the sense of possibility and shared commitment to public service that drew the two of us and 30 other proud Americans to our Foreign Service entering class all those years ago. Today, there is a new generation of diplomats capable of taking up that challenge—if only they are given a State Department and a mission worthy of their ambitions and of the country they will represent. 🌐

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# A Foreign Policy for the Climate

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## How American Leadership Can Avert Catastrophe

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*John Podesta and Todd Stern*

MAY/JUNE 2020

**I**n September 2019, after a two-year drought and some of the hottest days on record, wildfires broke out across eastern Australia. The fires raged for seven months and consumed 75,000 square miles. They displaced tens of thousands of people and destroyed almost 3,000 homes. In Melbourne, the air quality was 30 percent worse than in famously toxic New Delhi. Researchers estimate that more than one billion animals died in the conflagration. And the total economic damage is expected to exceed the previous \$4.4 billion record set by the Black Saturday fires in 2009.

The Australian fires were a particularly harsh reminder of the effects of climate change, but they were hardly the only one to make the headlines recently. Between 2010 and 2019, natural disasters cost the world approximately \$2.98 trillion, making the last decade the costliest one on record. And in the first half of 2019, extreme weather displaced seven million people, setting a new midyear high. The situation will only get worse: in the next few decades, climate change threatens to cause short-

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**JOHN PODESTA** is Founder and a Member of the Board of Directors of the Center for American Progress. He served as Chief of Staff for U.S. President Bill Clinton and Counselor to U.S. President Barack Obama, overseeing climate and energy policy.

**TODD STERN** is a Senior Fellow at the Brookings Institution and served as Special Envoy for Climate Change under U.S. President Barack Obama.

ages of food and water, render coastlines that are home to hundreds of millions of people unsuitable for habitation, and unleash a stream of refugees that will dwarf the flow during the recent European migration crisis.

Tackling the climate emergency will require decisive action. In 2018, the UN's Intergovernmental Panel on Climate Change made it clear that to avoid significant risks to planetary health and human well-being, the United States and other significant emitters must cut their carbon emissions to "net zero" by 2050, a daunting task, well beyond what most thought necessary at the time of the 2015 Paris agreement on climate change. Even if countries increase the amount of carbon dioxide they can capture and sequester, they will still have to radically decarbonize their energy, transportation, and manufacturing systems in the next 30 years, while also transforming agriculture and arresting deforestation.

The United States, in particular, will require both a full mobilization at home and an unhesitating commitment to leadership abroad. A president ready to take on climate change must organize the government to meet this challenge and work with Congress to enact a broad program of investments and incentives for the development and dissemination of clean technology. Abroad, the United States must devise a climate-centered foreign policy that uses the country's political capital and economic resources to drive the decarbonization of the global economy. Several changes are needed—starting at the White House and extending to key bilateral relationships, international forums, and financial institutions—to accelerate a global clean energy transformation and galvanize the political will necessary to confront climate change. The tools to spur clean technological innovation, promote sustainable investment and job creation, and confront environmental injustices are within political leaders' grasp. Heads of state and government need only be willing to employ them.

### **CHANGE BEGINS AT HOME**

To reach net-zero emissions by 2050, the United States' executive branch will have to undergo structural changes. The next president should create a national climate council, overseen by an assistant to the president for climate policy. Modeled after the National Security Council and the National Economic Council, the National Climate Council would boast a specialized support staff capable of directing and delivering quantifiable results across the federal government. It would spearhead executive action and legislation and coordinate between actors at

the state and local levels. And in conjunction with top members of the National Security Council, the proposed council would develop and execute a diplomatic and security strategy to propel rapid clean energy deployment, build resilience against climate-change-induced disasters, and pressure reluctant actors to achieve the net-zero goal. What's more, the president should direct the Pentagon and the intelligence community to expand their treatment of the climate threat out to 2050 and beyond. To date, both institutions have included useful comments on climate change in their major threat assessments, but more could be done to articulate the profound risks from climate change to U.S. interests abroad—risks that include state failure, migration, and conflict.

The United States should also resume its historic leadership in climate science and climate data collection. In the past, it has made information from American satellites, sonars, and other remote-sensing technologies available to decision-makers around the world as they planned for the impacts of climate change. But the priority given to climate science has withered under the Trump administration.

To achieve the country's sustainability goals, the United States should triple its investment in climate science and data collection. And the country should once more give science pride of place in decision-making, appoint scientists to key advisory positions, and establish rigorous scientific standards across agencies. New funds would also help the country quickly rebuild the U.S. science workforce after losses during the Trump years, bringing in new talent that can tackle the challenges of the coming century.

That said, officials need to be aware that a return by the United States to a position of leadership on climate change would be greeted by some skepticism on the part of the international community. The other major players know that they need the United States, but they have been burned twice: first when President George W. Bush refused to sign the Kyoto Protocol, in which only developed countries promised to reduce their greenhouse gas emissions, and then when President Donald Trump announced the United States' withdrawal from the Paris agreement. This underscores the pressing need, as the country moves forward, for Republicans to start joining Democrats in recognizing the reality and urgency of climate change so that Washington can move past the start-and-stop pattern of U.S. climate engagement. A climate-centered foreign policy would go a long way toward rebuilding trust. It would go even further if the United States, in word and deed,

chose to abandon gradualism and embrace the net-zero goal; after all, if the country lacks the political will to combat climate change at home, it will be unable to earn the bona fides it needs to lead internationally.

## **THE PRODIGAL SON RETURNS**

To convey its renewed commitment, the United States should promptly announce its intention to rejoin the Paris agreement. The agreement is a crucial component of the global effort to contain climate change. The deal brings countries together each year, urges them to ramp up their action and build resilience, takes stock of their progress toward the 2015 goals, scrutinizes the provision of financial assistance, and provides a platform for joint engagement. The agreement is also the symbolic embodiment of the world's commitment to combat climate change.

Beyond rejoining, the United States will need to prepare new emission targets that are both consistent with the net-zero imperative and credible. In addition, the United States and its allies should push all countries, especially the major emitters, to submit their own strategies for getting to net-zero emissions by 2050, as called for in the Paris agreement.

The Paris agreement is not the only institution that the current administration has been neglecting. In 2009, the United States launched the Major Economies Forum on Energy and Climate (MEF), a group of 17 economies representing some 80 percent of global emissions that gathered at the ministerial level to facilitate the climate negotiations. The next administration should revive the MEF and recommend that its members' leaders meet every two years to review where the world's largest economies stand on climate change and what new forms of joint action they should undertake. (Government ministers should meet twice a year to prepare for the meetings.) The focus of this new MEF would be the challenge of global decarbonization, and its first order of business would be to secure agreement on the net-zero goal. The body could also promote the development and dissemination of sustainable technology, become a venue for sharing policy ideas and best practices, and support the efforts of multinational businesses to set clean energy standards. Argentina, Saudi Arabia, and Turkey should be invited to join in order to provide additional representation for important regions and so that the MEF and the G-20, which would then share the same membership, could coordinate the timing of their meetings.

The United States should also work with key European allies to reinvigorate the High Ambition Coalition—which was the fiercest



champion of bold mitigation measures at the Paris negotiations—so that the organization can advocate both within the Paris regime and outside it for measures to achieve net-zero emissions by 2050. The members of the High Ambition Coalition include the United Kingdom and the EU, a group of progressive Latin American and Caribbean countries, and many vulnerable states from Africa and Asia, most of whom are not big emitters. But they are strong proponents of the net-zero goal and have the moral standing to put salutary pressure on all the important players.

### **GREENBACKS FOR A GREEN EARTH**

Developing economies badly need investment in low-carbon energy systems and in infrastructure that can withstand climate change. The United States, together with key allies in Europe and Asia, should bring together a coalition of international financial institutions, such as the World Bank and the International Monetary Fund, and regional development banks—such as the Asian Infrastructure Investment Bank, which the United States should join—to encourage lending practices in line with the net-zero goal and quickly direct substantial investment toward sustainable infrastructure and development. In addition, the United States should build a coalition to press the major coal-financing countries—China, Japan, and South Korea—to put a moratorium on coal investments around the world, all the while ensuring that funds will be available for clean alternatives.

Washington must also step up its own climate assistance to poor countries. In 2014, Obama pledged \$3 billion over a four-year period to the new Green Climate Fund and secured \$500 million from Congress for each of the next two years. But the Trump administration cut this funding off. The next president should prioritize getting the remaining \$2 billion out the door and should follow the lead of such countries as France, Germany, Norway, and the United Kingdom, which doubled their 2014 pledges in 2019.

Of course, the existing money is not yet being used properly. Huge amounts of funding are perversely protecting fossil fuels at the very moment when the world needs to start breaking the dirty habit. Direct subsidies amount to well over \$500 billion per year globally, and total subsidies stood at over \$5.2 trillion in 2017. Washington should pressure other governments to eliminate these subsidies, an effort Obama began in the G-20 in 2009.

The next president should also enact carbon tariffs on imports from countries with inadequate climate policies. Such “border adjustment mechanisms” were part of the Waxman-Markey cap-and-trade bill, which was approved by the House of Representatives in 2009 but never voted on in the Senate. Ursula von der Leyen, the president of the European Commission, has called for carbon tariffs in the EU, as well. Washington should embrace such tariffs and support other governments doing the same.

Additionally, the United States should push for an agreement to facilitate trade in environmental goods—such as products that produce renewable energy or improve energy efficiency—an effort the World Trade Organization pursued during the Obama years but never completed. And it should make sure that all bilateral trade agreements include environmental and labor standards as enforceable components.

The next administration should also capitalize on the work of the Task Force on Climate-Related Financial Disclosures (TCFD), a body set up in 2015 by the Financial Stability Board, itself an organ of the G-20, to help public and private actors worldwide make informed emission decisions. The task force is designed to push companies to disclose the risk that climate change poses to their businesses so that markets can price that risk. But its recommendations lack impact because disclosures are voluntary. The U.S. Securities and Exchange Commission and other financial regulators around the world should commit to adopting and enforcing the TCFD’s protocols.

## **FRIENDS, OLD AND NEW**

A climate-centered foreign policy would also shape the United States’ bilateral relations with both partners and rivals. The United Kingdom and members of the EU have been leaders in the fight against climate change for decades, and they would remain essential U.S. allies in the pursuit of a net-zero world. Together with the United States, these countries represent more than a third of global GDP and an equal share of both China’s and India’s export markets. This kind of clout gives them the leverage to influence Chinese and Indian climate behavior. Other developed countries, such as Japan and New Zealand, have also been important U.S. partners in the past and would be again. Canada and Mexico should also be close allies, both in driving strong climate action across North America and in joining a global coalition for low- or no-carbon economic transformation. The U.S. govern-

ment will need to collaborate with all these players on a number of fronts, including synchronizing policy approaches to rapidly scale up the production and use of clean and efficient energy.

But the United States will also have to work with more challenging partners. China, in particular, has such an enormous carbon footprint (it accounts for around 29 percent of global carbon emissions) and so much influence in the developing world that there is no way to reach global climate goals without it. During the Obama years, both the U.S. and the Chinese governments recognized the potential for climate change to serve as a positive pillar of the two countries' often fractious bilateral relationship. This culminated in a joint announcement in 2014 in which both governments pledged to curb their emissions, with China agreeing for the first time to stop its total emissions from growing by 2030.

Today, the challenge is even greater, given the tensions with China over trade, regional security, and human rights. But not only must the United States continue to work with China on climate change; it must also put progress toward a net-zero world in 2050 at the very center of the relationship. There will be plenty of U.S.-Chinese competition in the future, given the two countries' diverging interests, but the setting of priorities matters. The harsh reality is that if the United States and China don't get climate change right, the fallout from that failure will dwarf most other issues, including those stemming from U.S. competition with China.

Early on, the next president should organize a meeting with Chinese President Xi Jinping to collaborate on climate change. At the meeting, both leaders should attempt to establish parameters regarding the scale and speed of decarbonization globally and in their two countries. No adequate progress is possible if the United States and China are working from fundamentally different assumptions about what needs to be done and when; but if they could come to a genuine meeting of the minds, it would move the world.

The United States will also have to deal with India, the third-largest emitter, behind only China and the United States. The country's use of renewable energy is increasing impressively; New Delhi has worked effectively—with support from the U.S. government and the private sector—to develop green buildings and electric vehicles, yet the country is still forging ahead with plans to build ten new major coal installations. The United States should propose to Indian Prime

Minister Narendra Modi a larger-scale, more dynamic clean energy partnership than ever before, focused on policy as well as technological research, development, and dissemination.

Brazil will also need to be the target of American climate diplomacy. Under President Jair Bolsonaro, the country has gone from being a constructive player on climate change, substantially reducing deforestation in the Amazon River basin, to a first-order threat. Bolsonaro is implementing policies that risk tipping the region into an ecological death spiral that could cause the release of hundreds of billions of tons of carbon dioxide into the atmosphere, wipe out ten percent of global biodiversity, and destroy a forest system that is essential to regulating the entire region's rainfall. The next U.S. president will need to work urgently with Latin American allies—including progressive friends such as Chile, Colombia, and Peru—to urge Bolsonaro to abandon the catastrophic course he is steering for the Amazon basin. There is no road to global well-being without Brazil.

Some countries will inevitably resist change because they have so much at stake in the global fossil fuel economy. The United States itself, on the strength of the fracking revolution, has become the largest oil and gas producer in the world, so it, too, must plan for the decline of the fossil fuel sector with the rise of clean energy. But the United States has the advantage of a fully diversified economy, whereas many fossil fuel producers do not. There is no easy answer here, but Washington will need to work closely with its allies to help producing countries find a path forward consistent with the necessary emission reductions.

Finally, climate change will prompt a large-scale movement of people that will threaten stability and democratic politics. Indeed, the migration crises in Europe and on the U.S.-Mexican border will likely seem minor compared with the global exoduses prompted by rising temperatures. As severe climate change displaces more people, the international community will be forced to either change the legal definition of refugees to include climate migrants or create a new category altogether. (The current definition is focused on political persecution rather than environmental degradation.) The United States' ambassador to the UN should take up this cause in the Security Council, and the United States should collaborate with its partners in the worst-affected regions to explore the best ways to support internal refugees and outline the legal rights of those fleeing climate change, along with practical plans for helping them.

The United States' relative absence from climate mitigation and adaptation efforts under the Trump administration has been highly problematic. U.S. resources, influence, and expertise—not to mention the United States' enormous carbon footprint—make the country an indispensable player in such discussions and actions. Pull the United States out of the equation, and the energy and focus dedicated to fighting climate change dwindles from Beijing to New Delhi to Brasília. In spite of the recent lull, however, the United States' policy toward climate change could be rapidly transformed, especially with a new president in the White House. We have sketched out what the changes could look like if climate were made the central organizing principle of U.S. foreign policy. The public, for its part, is increasingly eager to be led, as are large swaths of the business community. The international community will doubtless remain a bit wary of the sharp turns that U.S. politics can produce, but other countries are hungry for the United States to lead again. A new president who sees the climate threat for what it is could make a game-changing difference. It is late in the day, but not yet too late. 🌍

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# A National Security Reckoning

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How Washington Should Think About Power

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*Hillary Clinton*

NOVEMBER/DECEMBER 2020

**I**n a year marked by plague and protest, Americans are reckoning with long-overdue questions about racial justice, economic inequality, and disparities in health care. The current crisis should also prompt a reckoning about the United States' national security priorities. The country is dangerously unprepared for a range of threats, not just future pandemics but also an escalating climate crisis and multidimensional challenges from China and Russia. Its industrial and technological strength has atrophied, its vital supply chains are vulnerable, its alliances are frayed, and its government is hollowed out. In the past, it sometimes has taken a dramatic shock—Pearl Harbor, Sputnik, 9/11—to wake up the United States to a new threat and prompt a major pivot. The COVID-19 crisis should be a big enough jolt to rouse the country from its sleep, so that it can summon its strength and meet the challenges ahead.

Among the highest priorities must be to modernize the United States' defense capabilities—in particular, moving away from costly legacy weapons systems built for a world that no longer exists. Another is to renew the domestic foundations of its national power—supporting American innovation and bolstering strategically important industries and supply chains. These twin projects are mutually rein-

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**HILLARY CLINTON** was U.S. Secretary of State from 2009 to 2013 and the Democratic Party's presidential nominee in 2016.

forcing. Modernizing the military would free up billions of dollars that could be invested at home in advanced manufacturing and R & D. That would not only help the United States compete with its rivals and prepare for nontraditional threats such as climate change and future pandemics; it would also blunt some of the economic pain caused by budget cuts at the Pentagon. Integrating foreign and domestic policy in this way would make both more effective. And it would help the United States regain its footing in an uncertain world.

### **SHORTSIGHTED**

For decades, policymakers have thought too narrowly about national security and failed to internalize—or fund—a broader approach that encompasses threats not just from intercontinental ballistic missiles and insurgencies but also from cyberattacks, viruses, carbon emissions, online propaganda, and shifting supply chains. There is no more poignant example than the current administration's failure to grasp that a tourist carrying home a virus can be as dangerous as a terrorist planting a pathogen. President Barack Obama's national security staff left a 69-page playbook for responding to pandemics, but President Donald Trump's team ignored it, focusing instead on the threat of bioterrorism. They dismantled the National Security Council's pandemic directorate, folding it into the office responsible for weapons of mass destruction, and filled a national medical stockpile with drugs for anthrax and smallpox while neglecting the personal protective equipment needed for a pandemic. The Trump administration also shut down the U.S. Agency for International Development program created during my time as secretary of state to detect viral threats around the world, and it has repeatedly tried to slash funding for the Centers for Disease Control and Prevention. The costs of this misjudgment have been astronomical.

The Trump administration has taken a similarly misguided approach to other nontraditional threats. It omitted any reference to climate change in its 2017 National Security Strategy and attempted to block Rod Schoonover, a senior intelligence official, from briefing Congress about it. The administration also deprioritized cyber-espionage in its trade negotiations with China and failed to confront Russia over its interference in U.S. elections. Unsurprisingly, both countries are at it again.

The problem runs much deeper than Trump, however. Administrations of both parties have long underappreciated the security implica-

tions of economic policies that weakened strategically important industries and sent vital supply chains overseas. The foreign policy community understandably focused on how new trade agreements would cement alliances and extend American influence in developing countries. Democrats should have been more willing to hit the brakes on new trade agreements when Republicans obstructed efforts to support workers, create jobs, and invest in hard-hit communities at home. When Republicans failed to use trade-enforcement tools to protect American workers—such as the safeguards against unfair surges of Chinese imports that my husband, President Bill Clinton, negotiated but the Bush administration refused to invoke even a single time—and blocked domestic investments in basic research, infrastructure, and clean energy, Democrats should have more forcefully called their intransigence what it was: not just bad economic policy but a national security liability.

Myopia about national security also manifests in the simplistic frames applied to complex challenges, such as insisting on seeing competition with China through the lens of the Cold War. In a speech in July, Secretary of State Mike Pompeo offered this pearl of wisdom: “I grew up and served my time in the army during the Cold War. And if there is one thing I learned, Communists almost always lie.” That’s a remarkably unhelpful way of approaching the challenge. Huffing and puffing about Communists may rile up the Fox News audience, but it obscures the fact that China—along with Russia—poses an altogether different threat from the one the Soviet Union did. Today’s competition is not a traditional global military contest of force and firepower. Dusting off the Cold War playbook will do little to prepare the United States for adversaries that use new tools to fight in the gray zone between war and peace, exploit its open Internet and economy to undermine American democracy, and expose the vulnerability of many of its legacy weapons systems. Nor will such an anachronistic approach build the global cooperation needed to take on shared challenges such as climate change and pandemics.

Meanwhile, the United States’ deep domestic fractures have hamstrung its ability to protect itself and its allies. Consider what happened after the Obama administration painstakingly built an international coalition to force Iran to the negotiating table, including winning the reluctant participation of China and Russia, and then secured a historic agreement to stop Iran’s nuclear program. Trump abruptly renounced the agreement. Now, predictably, Iranian centrifuges are spinning, Teh-



ran is exploring a new alliance with Beijing, and the international sanctions regime is shattered. It's a frustrating, self-inflicted wound and a reminder of the costs of inconstancy.

The problem is not always too much change; in some areas, it's too little. The overmilitarization of U.S. foreign policy is a bad habit that goes all the way back to the days when President Dwight Eisenhower warned of "the military-industrial complex." Many generals understand what James Mattis told Congress when he led U.S. Central Command: "If you don't fund the State Department fully, then I need to buy more ammunition ultimately." But many politicians are too afraid of being attacked as soft on defense to listen. So they pile mission after mission on the Pentagon and authorize ballooning military budgets while starving civilian agencies. And, it's important to emphasize, for decades, right-wing ideological resistance has blocked crucial investments in American diplomacy and development abroad and American innovation at home—from foreign aid budgets to domestic infrastructure and R & D spending.

### **THE OBSTACLES TO MODERNIZATION**

Like the broader government, the military itself can be slow to adapt to new threats. After the invasions of Afghanistan and Iraq, there were fatal delays in getting up-armored Humvees and lifesaving body armor to troops in the field. Now, the Pentagon is again at risk of being caught unprepared for the very different demands of competing with China. I saw how hard it can be to move a bureaucracy as sprawling as the Pentagon when, in 2004, I was asked to be the only U.S. senator on the Joint Forces Command's Transformation Advisory Group, which was charged with helping the military reimagine itself for the twenty-first century. The Defense Department had assembled an impressive team of military and civilian experts from a range of disciplines and told them to think as big and boldly as possible, yet our efforts to recommend reforms ran into some of the same obstacles that remain today. Powerful players in the Pentagon, Congress, and the private sector have built careers—and, in some cases, fortunes—doing things a certain way. They have a vested interest in maintaining the status quo.

To be sure, when lives are on the line, it can be more prudent to rely on proven practices than untested innovations. And decisions about military posture and procurement have profound economic and political implications that should not be overlooked. As a senator, I

represented many New York communities dependent on defense jobs, and I did everything I could to keep bases open and factories humming, whether it was funding the production of new howitzer tubes at the Watervliet Arsenal and the development of advanced radar systems on Long Island or bolstering the 10th Mountain Division at Fort Drum. I knew how much the jobs meant for my constituents, and I was convinced that each of the appropriations had national security merit. Yet multiply that dynamic across 50 states and 435 congressional districts, and it becomes clear why it's so hard to retire aging weapons systems or close bases that have outlived their usefulness.

Today, the poster child for this political reality is the F-35 fighter. Development of the plane ran way behind schedule and over budget, and it is estimated to cost \$1 trillion over its lifespan, yet it is considered untouchable. The air force sank so much time and money into the project that turning back became unthinkable, especially since the F-35 is the only fifth-generation aircraft currently being manufactured in the United States. And because the plane directly and indirectly supports hundreds of thousands of jobs across hundreds of congressional districts in nearly every state, it has legions of defenders in Congress.

### **A SMARTER DEFENSE BUDGET**

These obstacles to reforming the military are not new, but they are newly urgent. The Pentagon must adapt to a strategic landscape far different from the one it faced during the Cold War or the war on terrorism. New technologies such as artificial intelligence are rendering old systems obsolete and creating opportunities that no country has yet mastered but many are seeking. Then there are the particularly thorny challenges in East Asia. While the American military was fighting costly land wars in the Middle East, China was investing in relatively cheap anti-access/area-denial weapons, such as antiship ballistic missiles, which pose credible threats to the United States' expensive aircraft carriers.

No one should make the mistake of believing that the People's Liberation Army is ten feet tall or that the competition with China is primarily a military contest. China has relied on financial coercion and economic statecraft to gain influence as it builds infrastructure around the world. In recent years, while the Trump administration was gutting the State Department and undermining U.S. alliances in Asia and Europe, China was doubling its diplomacy budget and pour-

ing untold billions into developing countries, now outstripping American aid. China today has more diplomatic posts around the world than the United States does.

That said, the military challenge from China is real. The United States should not be lulled into a false sense of security by its continuing firepower advantage or the fact that its defense budget remains orders of magnitude larger than Beijing's. China's advances mean that the United States' air and sea superiority in the region is no longer ensured. This isn't competition from a military equal but a new kind of asymmetric threat. Americans learned in the sands of Afghanistan and Iraq that asymmetry can be deadly, and the same is true in the skies and seas of East Asia. To make matters worse, the United States must meet this challenge with a military that has been damaged by Trump's mismanagement. He has degraded civilian oversight of the Pentagon by leaving scores of key posts vacant. At the same time, he has attempted to turn the military into part of his political machine—pardoning war criminals over the objections of military leaders and deploying National Guard troops in Lafayette Square so that he could stage a photo op.

Modernizing and refocusing the military will take both vision and backbone. A big part of the effort will have to involve overhauling the defense budget. Deep savings—potentially hundreds of billions of dollars over the next decade—can and should be found by retiring legacy weapons systems. But choices about where to cut and where to spend must be driven by a clear-eyed analysis of national security needs, not politics. The United States can't afford to repeat the mistakes of the 2013 budget sequestration, when Congress forced the Pentagon to slash budgets indiscriminately, with no overarching strategy. This work is going to require a president and a secretary of defense who are rigorous in their analysis and comfortable consulting with Congress and the military brass but prepared to make difficult decisions about which missions to prioritize and which to de-emphasize or eliminate. To insulate these decisions from political pressure, Congress should agree to take an up-or-down vote on a comprehensive package of defense reforms—a process that has been used in the past for closing military bases—rather than haggling over each adjustment.

Changes to the budget should aim to prepare the United States for asymmetric conflict with technologically advanced adversaries. For example, aircraft carriers still play an important role in U.S. power projection around the world but are vulnerable to Chinese antiship missiles,

which cost a fraction of the price. In addition, only a handful of the U.S. Navy's 11 aircraft carriers are usually operational and at sea at any given time, with onerous maintenance keeping others in port. Instead of continuing to expand the fleet of vulnerable surface ships, the navy should invest in accelerated maintenance and next-generation submarines. Similarly, as anti-access/area-denial weapons force U.S. aircraft carriers and guided-missile cruisers to stay farther away from potential targets, the U.S. Air Force will have to focus less on short-range tactical fighter planes and more on long-range capabilities. That means it won't need nearly as many F-35s as planned, but it should welcome the arrival of the B-21 Raider, a long-range bomber under development that is designed to thwart advanced air defenses. These capabilities must be accompanied by mechanisms that allow for consultation with China and Russia to reduce the chances that a long-range conventional attack is mistaken for a nuclear strike, which could lead to disastrous escalation.

As the United States leaves behind a period dominated by land wars and looks ahead to potential air, sea, and space conflicts, the army should accept the risks that come with a smaller active-duty ground force. A force with fewer soldiers and heavy tanks would match the strategic moment and cost far less. Maintaining fewer active-component armored brigade combat teams, for example, could save tens of billions of dollars over the next decade. Instead of heavy tanks, the military should be investing in tools that will give troops an edge in the conflicts of the future, including upgraded communications and intelligence systems.

Perhaps most important, the United States needs a new approach to nuclear weapons. For starters, it should not be deploying low-yield nuclear warheads on submarines or nuclear-armed cruise missiles, which expand the range of scenarios for the use of nuclear weapons and increase the risk of a misunderstanding escalating quickly into a full-blown nuclear exchange. Nor should the United States spend \$1 trillion over the next 30 years on its nuclear arsenal, as is currently planned. Instead, it should significantly reduce its reliance on old intercontinental ballistic missiles, pursue a "newer and fewer" approach to modernization, and revive the arms control diplomacy that the Trump administration scrapped. A top priority should be to extend the New START treaty with Russia, which Ellen Tauscher, the State Department's top arms control official, and I helped negotiate at the beginning of the Obama administration. It will also be important to persuade China to join nuclear negotiations.

A renewed commitment to diplomacy would strengthen the United States' military position. U.S. alliances are an asset that neither China nor Russia can match, allowing Washington to project force around the world. When I was secretary of state, for example, we secured an agreement to base 2,500 U.S. marines in northern Australia, near the contested sea-lanes of the South China Sea. Yet Trump treats the U.S. alliance system as nothing more than a protection racket—for example, warning NATO partners that they must “either pay the United States for its great military protection, or protect themselves.” Although it's appropriate to emphasize the need for burden sharing, it is more constructive to think of a division of labor. As the United States focuses on modernizing its air and sea capabilities, it will make sense for other NATO members to concentrate on strengthening their conventional ground forces so that they can deter incursions in eastern Europe or lead counterterrorism missions in Africa.

### **REBUILDING SELF-SUFFICIENCY**

That is how the United States should modernize its approach to defense—one of the three Ds, along with diplomacy and development, that for more than a decade I have said should be integrated as part of a “smart power” strategy. Now, it's time to add a fourth D: domestic renewal, the rebuilding of the country's industrial and technological strength.

The United States' dwindling industrial capacity and inadequate investment in scientific research leave the country dangerously dependent on China and unprepared for future crises. The problem goes back decades. When the USS *Cole* was bombed in 2000, I was shocked to learn that there was only one American company left that manufactured the specialized steel needed to repair the ship's hull. Twenty years later, the pandemic has underscored how much the United States relies on China and other countries for vital imports—not just lifesaving medical supplies but also raw materials such as rare-earth minerals and electronic equipment that powers everything from telecommunications to weapons systems.

The United States should pursue a plan like the one proposed by former Vice President Joe Biden to invest \$700 billion in innovation and manufacturing and impose stronger “Buy American” provisions, with the goal of jump-starting domestic production in key sectors—from steel to robotics to biotechnology—reshoring sensitive supply

chains, and expanding strategic stockpiles of essential goods. It's time for ambitious industrial policies. China does whatever it can to gain an advantage, including conducting industrial espionage on a massive scale, pursuing a range of unfair trade practices, and providing virtually unlimited resources to state-owned and state-backed enterprises. The United States doesn't need to cheat or steal, but it can't afford to compete with one hand tied behind its back.

Although it is a mistake to use national security as a catchall justification for blanket protectionist trade policies, as Trump has done, policymakers should widen the range of industries and resources deemed vital to it. It's not enough anymore to prioritize materials and technologies used for weapons systems and semiconductors; the United States' security also depends on the control of pharmaceuticals, clean energy, 5G networks, and artificial intelligence. That's one reason it's crucial to reverse the long-term decline in the federal share of spending on R & D. Another reason is that investments in basic science and medical research can yield huge economic gains: economists at MIT have estimated that increasing federal funding for research in the United States by 0.5 percent of GDP, or about \$100 billion per year, would create some four million jobs.

Massive new investments in advanced manufacturing and R & D will be expensive, but they are necessary for the United States' long-term economic and security interests and will pay off for years to come. Critics will no doubt warn that running up the national debt is itself a national security risk. But at a time of historically low real interest rates and historically high unemployment, the country should not shy away from bold investments. There is a growing consensus among economists that Washington need not be paralyzed by fears of debt and that it can afford to spend heavily on critical national investments that bring high returns, especially during a crisis. Indeed, what the United States cannot afford is to defer these investments any longer.

## **AN INTEGRATED APPROACH**

These two agendas—military modernization and domestic renewal—should be integrated. Moving away from outdated weapons systems will cause economic disruption and real hardship. That's why it should be done in tandem with targeted investments in economically struggling communities, bringing advanced manufacturing and R & D to the places most affected by defense cuts. In fact, as a study by econo-

mists at the University of Massachusetts, Amherst, has found, \$1 billion spent on clean energy, health care, or education creates, on average, far more jobs than the same amount of military spending.

I'm not suggesting telling laid-off factory workers to reinvent themselves as coders; that's fanciful and condescending. Previous pledges to support workers who lost their jobs because of defense cuts or trade policies have often fallen abysmally short. But the U.S. government can do more to help displaced workers and those leaving the military transition to the millions of new jobs that could be created through major new domestic investments. In 2008, when the U.S. Air Force retired the F-16s based at Hancock Field Air National Guard Base, in Syracuse, New York, I helped secure funding to turn the base into one of the military's first major drone bases, saving hundreds of jobs. American history is full of examples of factories, communities, and entire industries pivoting when they had to. During World War II, the auto industry shifted gears with incredible speed to make tanks and bombers. At the beginning of the pandemic, it shifted swiftly again, to produce desperately needed ventilators and personal protective equipment. With the right long-term investments, communities can reinvent themselves successfully. Pittsburgh, once a center of steel production, has become a hub for health care, robotics, and research on autonomous vehicles.

Many legacy weapons systems are built or based in communities with skilled workforces that can and should be the backbone of the country's renewed self-sufficiency. Think of Syracuse, which has long been a center of defense manufacturing, a bright spot in an otherwise difficult economic picture. In 2017, the Brookings Institution ranked Syracuse dead last for economic growth out of 100 U.S. metro areas, so it could ill afford to lose any of the defense jobs keeping the region afloat. Yet a 2019 ranking by a pair of MIT economists put the city as the third most promising technology hub in the country, thanks to its skilled workers and low cost of living. It's exactly the kind of place where significant public investments in advanced manufacturing, clean energy, and R & D could create good jobs and help the United States outcompete China.

So is Lima, Ohio. Hundreds of people work at the city's Abrams tank factory. Even though General Ray Odierno, then chief of staff of the U.S. Army, told legislators in 2012, "We don't need the tanks," Congress kept the factory open. It's true that the plant's workers and their community have devoted themselves to protecting the United States, and the country absolutely must keep faith with them. It's also

true that the military still doesn't need the tanks. But if the United States is to get serious about climate change, what it does need are more factories to churn out clean electric vehicles. The Pentagon alone should replace most of its fleet of 200,000 nontactical vehicles with electric. Some of those new vehicles could be built in Lima, which is already home to a large Ford engine factory. And that's just one possibility. If Washington decides to boost domestic production of next-generation electric batteries, wind turbines, and other strategically significant products, Northwest Ohio is a natural place to do it.

No one should pretend that every defense job can be saved or replaced. Cutting hundreds of billions of dollars in military spending over the next decade will inevitably inflict a painful toll on families and communities across the country. But if the government can pair these cuts with major new investments in affected communities, it can minimize the economic damage and maximize the United States' ability to compete with China and prepare for future challenges.

All of this requires leadership from the top. Having a commander in chief with no experience—and no empathy or vision—has been a disaster. But it's hard to imagine a man better suited to lead the work ahead than Biden, a former chair of the Senate Foreign Relations Committee who has deep expertise in national security policy, a military father who knows how much the country owes its men and women in uniform and their families, and a champion of working people who fought to save the auto industry when others would have let it go bankrupt.

In the throes of a crisis as dire as any the United States has seen in many decades, it can be difficult to imagine what the world will look like in four months, let alone four years. But the country needs to be thinking now about the threats it will face in a post-pandemic future, as well as the opportunities it must seize. As former Secretary of State Dean Acheson recounted in his memoirs, when George Marshall led the State Department, he urged his team to look ahead, “not into the distant future, but beyond the vision of the operating officers caught in the smoke and crises of current battle; far enough ahead to see the emerging form of things to come.” The United States should endeavor to do the same today. To look beyond the current battle and prepare to lead the post-COVID world, it must broaden its approach to national security and renew the foundations of its national power. 🌐



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# Defense In Depth

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## Why U.S. Security Depends on Alliances—Now More Than Ever

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*Kori Schake, Jim Mattis, Jim Ellis, and Joe Felter*

NOVEMBER 23, 2020

**T**he world is not getting safer, for the United States or for U.S. interests. Even before the coronavirus pandemic, the 2017 National Defense Strategy described an international environment of increased global disorder, long-term strategic competition, rapid dispersion of technologies, and eroding U.S. military advantages. Protecting the United States requires a strategy of defense in depth—that is, of identifying and dealing with global problems where they occur rather than waiting for threats to reach American shores.

To achieve defense in depth, simply strengthening the U.S. military is not enough; nor the even more urgent task of strengthening U.S. diplomacy and other civilian elements of national power. Enhancing national security must start with the fundamental truth that the United States cannot protect itself or its interests without the help

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**KORI SCHAKE** is Director of Foreign and Defense Policy Studies at the American Enterprise Institute.

**JIM MATTIS** is a Fellow at the Hoover Institution and served as U.S. Secretary of Defense.

**JIM ELLIS** is a Fellow at the Hoover Institution and served as Commander of the United States Strategic Command.

**JOE FELTER** is a Fellow at the Hoover Institution.

of others. International engagement allows the United States to see and act at a distance, as threats are gathering, rather than waiting for them to assume proportions that ultimately make them much costlier and more dangerous to defeat. Defeating emerging threats in particular puts a premium on having visibility far from the homeland to allow for early warning and rapid adaptation to unanticipated developments.

As capable as the U.S. military is, the United States' principal adversaries are more constrained by its network of alliances than by its military might. But continued failure to adequately invest in relationships with allies and partners and to cooperate with them to shape the international environment risks the erosion of this network—allowing a long-tended garden to become choked with weeds. Even worse, it could result in the emergence of other, competing networks, presaging an international order from which the United States is excluded, unable to influence outcomes because it is simply not present.

The United States today is undermining the foundations of an international order manifestly advantageous to U.S. interests, reflecting a basic ignorance of the extent to which both robust alliances and international institutions provide vital strategic depth. In practice, “America first” has meant “America alone.” That has damaged the country's ability to address problems before they reach U.S. territory and has thus compounded the danger emergent threats pose.

### **THE DANGERS OF AMERICA ALONE**

Advocates of the current administration's approach seem to believe that other countries will have no choice but to accede to the United States' wishes and cooperate on its terms. This is delusion. Sovereign countries always have choices: to compromise with aggressors, take actions opposed to U.S. interests, opt out of assistance when the United States needs it, or cooperate with one another on activities from which the United States is excluded. Assuming otherwise has the result of emboldening adversaries and encouraging tests of the strength of U.S. commitments.

Not even the United States is strong enough to protect itself on its own. Fundamentally, it needs help to preserve its way of life. Cooperating with like-minded nations to sustain an international order of mutual security and prosperity is a cost-effective way of securing that help. But doing so means resisting the temptation to maximize U.S. gains at the expense of countries that share its objectives and instead

utilizing the powers of influence and inspiration to enlarge the group of countries that work with the United States to a common purpose.

Those alliance relationships also require a forward strategy—the presence of U.S. diplomats and military forces in Asia, Europe, and the Middle East—to give credence to U.S. commitments. Together, that presence and the relationships it secures create a bulwark against threats, a shock absorber and an early warning system that gives time and space to meet dangers when they arise. To dismiss U.S. involvement today in Afghanistan, Iraq, and elsewhere as “endless” or “forever” wars—as both President Donald Trump and President-elect Joe Biden do—rather than as support to friendly governments struggling to exert control over their own territory misses the point. It is in the United States’ interests to build the capacity of such governments to deal with the threats that concern Americans; that work isn’t quick or linear, but it is an investment in both greater security and stronger relationships and preferable to the United States’ indefinitely having to take care of threats on its own.

Allies also supplement U.S. military strength. The 2017 National Defense Strategy was built on the assumption of three to five percent real annual increases in defense spending. This assumption has not been borne out by political realities, but a renewed focus on partnerships—on approaching security as a team sport—can reduce what is demanded of U.S. forces. That requires substantial investment to help build capable and willing allies, to negotiate and collectively enforce international rules and practices that restrain adversaries, and to sustain an industrial base that can provide for the defense needs of the United States and help meet those of its most essential allies. In time, such investment will more than pay off, since it enables allies to share more of the burden.

Defense resources cannot substitute for the many nonmilitary elements that go into national security: diplomats at the State Department, economists at the Treasury Department and the Federal Reserve, trade negotiators at the Office of the U.S. Trade Representative, public health experts at the Centers for Disease Control, lawyers at the International Court of Arbitration, development finance experts at the Export-Import Bank and the United States Agency for International Development, and technologists at the Federal Communications Commission.

There are many good reasons to invest in such tools. The military becomes both less capable and less legitimate as it moves outward from its essential functions. The Defense Department can serve to strengthen diplomats abroad and support civil authorities at home by providing

assistance in areas such as logistics, the handling of biohazardous chemicals, or emergency contracting, but it should remain the supporting rather than the supported organization—and it should actively avoid the perception of being politicized, as was the case in last June’s Lafayette Square incident with Trump. Balancing the U.S. security portfolio in this way will naturally diminish the prominence of military elements without weakening U.S. defense by providing more diverse and effective contributions from nonmilitary sources. It will also prevent an excessive reliance on the military from eroding the United States’ traditions of civic governance and the advantages of a free society.

Such a rebalancing of the U.S. approach to national security is also necessary, however, when it comes to maintaining the country’s network of alliances and partnerships. Militarizing U.S. national security can dim the attractiveness of the American model, the appeal of which makes it easier for other countries to support U.S. policies. It also fosters an unhealthy division of labor among allies, with the United States taking on a disproportionate share of risk for military outcomes while its allies focus their contributions on development assistance or governance.

### **THE END OF “AMERICA FIRST”**

The principal external threat the United States faces today is an aggressive and revisionist China—the only challenger that could potentially undermine the American way of life. The United States’ goal, however, should not only be to deter great-power war but to seek great-power peace and cooperation in advancing shared interests. For that, the United States’ alliances and partnerships are especially crucial.

Credibly sustaining the United States’ forward military strategy in Asia will require changes and improvements on a number of fronts: more effective nuclear deterrence, enhanced capabilities in space and cyberspace, dramatic improvements in the ability to project military power, and a renewed willingness to shift resources from lesser priorities. Since China is utilizing asymmetric strategies and technological innovation, the United States also needs a comprehensive approach to restoring what should be, and typically have been, its comparative advantages. The nature of competition has changed dramatically since the Cold War: earlier struggles for technological dominance played out in secretive national labs and other classified, government-sponsored domains, but today, state-of-the-art technology with military applications is being developed largely in the commercial sector with advances

driven by consumer demand rather than government directive. Such technologies must be rapidly integrated into weapons systems and other defense platforms to empower new operational concepts and doctrines.

It will also be imperative to maintain robust alliances in Asia, especially with Australia, Japan, and South Korea; to strengthen relationships with partners such as India, Indonesia, and Vietnam that share an interest in maintaining a free and open region; and to participate more fully in and work to improve international organizations so that China cannot manipulate them to the United States' disadvantage. Those partnerships are also important when it comes to strengthening and diversifying critical supply chains and reducing the country's dependence on China for critical goods and materials (particularly for rare-earth materials), which the pandemic has highlighted in alarming ways.

Crucially, the United States should not press countries to choose outright between the two powers. A "with us or against us" approach plays to China's advantage, because the economic prosperity of U.S. allies and partners hinges on strong trade and investment relationships with Beijing. Rather than treating countries as pawns in a great-power competition, a better approach would emphasize common codes of behavior and encourage states to publicly promulgate a vision for their country's sovereign future and the types of partnerships they need to pursue it. It would also expand the cooperative space in which all countries supporting a rules-based order can work together to advance shared interests. Cooperation across different ideological systems is difficult but necessary, and there should be opportunities to cooperate with China in areas of overlapping interests, such as pandemic response, climate change, and nuclear security.

In January, when President Joe Biden and his national security team begin to reevaluate U.S. foreign policy, we hope they will quickly revise the national security strategy to eliminate "America first" from its contents, restoring in its place the commitment to cooperative security that has served the United States so well for decades. The best strategy for ensuring safety and prosperity is to buttress American military strength with enhanced civilian tools and a restored network of solid alliances—both necessary to achieving defense in depth. The pandemic should serve as a reminder of what grief ensues when we wait for problems to come to us. 🌐

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# The Next Liberal Order

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## The Age of Contagion Demands More Internationalism, Not Less

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*G. John Ikenberry*

JULY/AUGUST 2020

**W**hen future historians think of the moment that marked the end of the liberal world order, they may point to the spring of 2020—the moment when the United States and its allies, facing the gravest public health threat and economic catastrophe of the postwar era, could not even agree on a simple communiqué of common cause. But the chaos of the coronavirus pandemic engulfing the world these days is only exposing and accelerating what was already happening for years. On public health, trade, human rights, and the environment, governments seem to have lost faith in the value of working together. Not since the 1930s has the world been this bereft of even the most rudimentary forms of cooperation.

The liberal world order is collapsing because its leading patrons, starting with the United States, have given up on it. U.S. President Donald Trump, who declared in 2016 that “we will no longer surrender this country . . . to the false song of globalism,” is actively undermining 75 years of American leadership. Others in the U.S. foreign policy establishment have likewise packed their bags and moved on to the next

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**G. JOHN IKENBERRY** is Albert G. Milbank Professor of Politics and International Affairs at Princeton University and Global Eminence Scholar at Kyung Hee University, in South Korea. He is the author of the forthcoming book *A World Safe for Democracy: Liberal Internationalism and the Crises of Global Order*.

global era: that of great-power competition. Washington is settling in for a protracted struggle for dominance with China, Russia, and other rival powers. This fractured world, the thinking goes, will offer little space for multilateralism and cooperation. Instead, U.S. grand strategy will be defined by what international relations theorists call “the problems of anarchy”: hegemonic struggles, power transitions, competition for security, spheres of influence, and reactionary nationalism.

But this future is not inevitable, and it is certainly not desirable. The United States may no longer be the world’s sole superpower, but its influence has never been premised on power alone. It also depends on an ability to offer others a set of ideas and institutional frameworks for mutual gain. If the United States abandons that role prematurely, it will be smaller and weaker as a result. A return to great-power competition would destroy what is left of the global institutions that governments rely on for tackling common problems. Liberal democracies would further descend into disunion and thereby lose their ability to shape global rules and norms. The world that would emerge on the other side would be less friendly to such Western values as openness, the rule of law, human rights, and liberal democracy.

In the short term, the new coronavirus (and the resulting economic and social wreckage) will accelerate the fragmentation and breakdown of global order, hastening the descent into nationalism, great-power rivalry, and strategic decoupling. But the pandemic also offers the United States an opportunity to reverse course and opt for a different path: a last-chance effort to reclaim the two-centuries-old liberal international project of building an order that is open, multilateral, and anchored in a coalition of leading liberal democracies.

For guidance, today’s leaders should look to the example of U.S. President Franklin Roosevelt. The collapse of the world economy and the rapid spread of fascism and totalitarianism in the 1930s showed that the fates of modern societies were tied to one another and that all were vulnerable to what Roosevelt, using a term that seems eerily prescient today, called “contagion.” The United States, Roosevelt and his contemporaries concluded, could not simply hide within its borders; it would need to build a global infrastructure of institutions and partnerships. The liberal order they went on to build was less about the triumphant march of liberal democracy than about pragmatic, cooperative solutions to the global dangers arising from interdependence. Internationalism was not a project of tearing down borders and

globalizing the world; it was about managing the growing complexities of economic and security interdependence in the pursuit of national well-being. Today's liberal democracies are the bankrupt heirs to this project, but with U.S. leadership, they can still turn it around.

### **THE PROBLEMS OF MODERNITY**

The rivalry between the United States and China will preoccupy the world for decades, and the problems of anarchy cannot be wished away. But for the United States and its partners, a far greater challenge lies in what might be called “the problems of modernity”: the deep, worldwide transformations unleashed by the forces of science, technology, and industrialism, or what the sociologist Ernest Gellner once described as a “tidal wave” pushing and pulling modern societies into an increasingly complex and interconnected world system. Washington and its partners are threatened less by rival great powers than by emergent, interconnected, and cascading transnational dangers. Climate change, pandemic diseases, financial crises, failed states, nuclear proliferation—all reverberate far beyond any individual country. So do the effects of automation and global production chains on capitalist societies, the dangers of the coming revolution in artificial intelligence, and other, as-yet-unimagined upheavals.

The coronavirus is the poster child of these transnational dangers: it does not respect borders, and one cannot hide from it or defeat it in war. Countries facing a global outbreak are only as safe as the least safe among them. For better or worse, the United States and the rest of the world are in it together.

Past American leaders understood that the global problems of modernity called for a global solution and set about building a worldwide network of alliances and multilateral institutions. But for many observers, the result of these efforts—the liberal international order—has been a failure. For some, it is tied to the neoliberal policies that produced financial crises and rising economic inequality; for others, it evokes disastrous military interventions and endless wars. The bet that China would integrate as a “responsible stakeholder” into a U.S.-led liberal order is widely seen to have failed, too. Little wonder that the liberal vision has lost its appeal.

Liberal internationalists need to acknowledge these missteps and failures. Under the auspices of the liberal international order, the United States has intervened too much, regulated too little, and delivered less



than it promised. But what do its detractors have to offer? Despite its faults, no other organizing principle currently under debate comes close to liberal internationalism in making the case for a decent and cooperative world order that encourages the enlightened pursuit of national interests. Ironically, the critics' complaints make sense only within a system that embraces self-determination, individual rights, economic security, and the rule of law—the very cornerstones of liberal internationalism. The current order may not have realized these principles across the board, but flaws and failures are inherent in all political orders. What is unique about the postwar liberal order is its capacity for self-correction. Even a deeply flawed liberal system provides the institutions through which it can be brought closer to its founding ideals.

However serious the liberal order's shortcomings may be, they pale in comparison to its achievements. Over seven decades, it has lifted more boats—manifest in economic growth and rising incomes—than any other order in world history. It provided a framework for struggling industrial societies in Europe and elsewhere to transform themselves into modern social democracies. Japan and West Germany were integrated into a common security community and went on to fashion distinctive national identities as peaceful great powers. Western Europe subdued old hatreds and launched a grand project of union. European colonial rule in Africa and Asia largely came to an end. The G-7 system of cooperation among Japan, Europe, and North America fostered growth and managed a sequence of trade and financial crises. Beginning in the 1980s, countries across East Asia, Latin America, and eastern Europe opened up their political and economic systems and joined the broader order. The United States experienced its greatest successes as a world power, culminating in the peaceful end to the Cold War, and countries around the globe wanted more, not less, U.S. leadership. This is not an order that one should eagerly escort off the stage.

To renew the spirit of liberal internationalism, its proponents should return to its core aim: creating an environment in which liberal democracies can cooperate for mutual gain, manage their shared vulnerabilities, and protect their way of life. In this system, rules and institutions facilitate cooperation among states. Properly regulated trade benefits all parties. Liberal democracies, in particular, have an incentive to work together—not only because their shared values reinforce trust but also because their status as open societies in an open system makes them

more vulnerable to transnational threats. Gaining the benefits of interdependence while guarding against its dangers requires collective action.

### **THE ROOSEVELT REVOLUTION**

This tradition of liberal internationalism is often traced to U.S. President Woodrow Wilson, but the great revolution in liberal thinking actually occurred under Roosevelt in the 1930s. Wilson believed that modernity naturally favored liberal democracy, a view that, decades later, led some liberals to anticipate “the end of history.” In contrast, Roosevelt and his contemporaries saw a world threatened by violence, depravity, and despotism. The forces of modernity were not on the side of liberalism; science, technology, and industry could be harnessed equally for good and evil. For Roosevelt, the order-building project was not an idealistic attempt to spread democracy but a desperate effort to save the democratic way of life—a bulwark against an impending global calamity. His liberalism was a liberalism for hard times. And it is this vision that speaks most directly to today.

Roosevelt’s core impulse was to put the liberal democratic world on a more solid domestic footing. The idea was not just to establish peace but also to build an international order that would empower governments to deliver a better life for their citizens. As early as August 1941, when the United States had not yet entered World War II, Roosevelt and British Prime Minister Winston Churchill articulated this vision in the Atlantic Charter, writing that if the United States and other democracies vanquished the Nazi threat, a new international order would secure “improved labor standards, economic advancement and social security.” In the words of a Chicago journalist writing at the time, the New Deal at home was to lead to a “New Deal for the world.”

Roosevelt’s vision arose from the belief that interdependence generated new vulnerabilities. Financial crises, protectionism, arms races, and war could each spread like a contagion. “Economic diseases are highly communicable,” Roosevelt wrote in a letter to the Bretton Woods conference in 1944. “It follows, therefore, that the economic health of every country is a proper matter of concern to all its neighbors, near and distant.” To manage such interdependence, Roosevelt and his contemporaries envisioned permanent multilateral governance institutions. The idea was not new: since the nineteenth century, liberal internationalists had championed peace congresses, arbitration councils, and, later on, the League of Nations. But Roosevelt’s agenda

was more ambitious. International agreements, institutions, and agencies would lie at the heart of the new order. On issue after issue—aviation, finance, agriculture, public health—multilateral institutions would provide a framework for international collaboration.

Another innovation was to redefine the concept of security. In the United States, the Great Depression and the New Deal brought into existence the notion of “social security,” and the violence and destruction of World War II did the same for “national security.” Both were more than terms of art. They reflected new ideas about the state’s role in ensuring the health, welfare, and safety of its people. “You and I agree that security is our greatest need,” Roosevelt told Americans in one of his fireside chats in 1938. “Therefore,” he added, “I am determined to do all in my power to help you attain that security.” Social security meant building a social safety net. National security meant shaping the external environment: planning ahead, coordinating policies with other states, and fostering alliances. From now on, national governments would need to do much more to accomplish the twin goals of social and national security—both at home and abroad.

What also made Roosevelt’s internationalism unique was that it was tied to a system of security cooperation among the big liberal democracies. The collapse of the post-1919 order had convinced internationalists on both sides of the Atlantic that liberal capitalist democracies would need to come together as a community for their common defense. Free societies and security partnerships were two sides of the same political coin. Even before U.S. President Harry Truman and his successors built on this template, Roosevelt-era internationalists envisaged a grouping of like-minded states with the United States as, in Roosevelt’s words, “the great arsenal of democracy.” With the rise of the Cold War, the United States and its fellow democracies formed alliances to check the Soviet threat. The United States took the lead in fashioning a world of international institutions, partnerships, client states, and regional orders—and it put itself at the center of it all.

## **CLUBS AND SHOPPING MALLS**

In the face of today’s breakdown in world order, the United States and other liberal democracies must reclaim and update Roosevelt’s legacy. As a start, this means learning the right lessons about the failures of the liberal international order in the past three decades. Ironically, it was the success of the U.S.-led order that sowed the seeds of the cur-

rent crisis. With the collapse of the Soviet Union, the last clear alternative to liberalism disappeared. As the liberal order grew from being one-half of a bipolar system to a truly global order, it began to fragment, in part because it no longer resembled a club. Indeed, today's liberal international order looks more like a sprawling shopping mall: states can wander in and pick and choose what institutions and regimes they want to join. Security cooperation, economic cooperation, and political cooperation have become unbundled, and their benefits can be obtained without buying into a suite of responsibilities, obligations, and shared values. These circumstances have allowed China and Russia to cooperate with the liberal system on an opportunistic, ad hoc basis. To name just one example, membership in the World Trade Organization has given China access to Western markets on favorable terms, but Beijing has not implemented significant measures to protect intellectual property rights, strengthen the rule of law, or level the playing field for foreign companies in its own economy.

To prevent this sort of behavior, the United States and other liberal democracies need to reconstitute themselves as a more coherent and functional coalition. The next U.S. president should call a gathering of the world's liberal democracies, and in the spirit of the Atlantic Charter, these states should issue their own joint statement, outlining broad principles for strengthening liberal democracy and reforming global governance institutions. The United States could work with its G-7 partners to expand that group's activities and membership, adding countries such as Australia and South Korea. It could even turn the G-7 into a D-10, a sort of steering committee of the world's ten leading democracies that would guide the return to multilateralism and rebuild a global order that protects liberal principles. The leaders of this new group could begin by forging a set of common rules and norms for a restructured trading system. They could also establish an agenda for relaunching global cooperation on climate change and confer about preparing for the next viral pandemic. And they should better monitor and respond to China's efforts to use international organizations to advance its national economic champions and promote its authoritarian mode of governance.

This club of democracies would coexist with larger multilateral organizations, chief among them the United Nations, whose only entry requirement is to be a sovereign state, regardless of whether it is a democracy or a dictatorship. That inclusive approach has its merits, because in many realms of international relations—including arms control,

environmental regulation, management of the global commons, and combating pandemic diseases—regime type is not relevant. But in the areas of security, human rights, and the political economy, today's liberal democracies have relevant interests and values that illiberal states do not. On these fronts, a more cohesive club of democracies, united by shared values, tied together through alliances, and oriented toward managing interdependence, could reclaim the liberal internationalist vision.

A key element of this effort will be to reconnect international cooperation with domestic well-being. Put simply, "liberal internationalism" should not be just another word for "globalization." Globalization is about reducing barriers and integrating economies and societies. Liberal internationalism, by contrast, is about managing interdependence. States once valued the liberal international order because its rules tamed the disruptive effects of open markets without eliminating the efficiency gains that came from them. In giving governments the space and tools they needed to stabilize their economies, the order's architects tried to reconcile free trade and free-market capitalism with social protections and economic security. The result was what the scholar John Ruggie has called the compromise of "embedded liberalism": unlike the economic nationalism of the 1930s, the new system would be multilateral in nature, and unlike the nineteenth-century visions of global free trade, it would give countries some leeway to stabilize their economies if necessary. But by the end of the 1990s, this compromise had begun to break down as borderless trade and investment overran national systems of social protection, and the order became widely seen as a platform for global capitalist and financial transactions.

To counteract this perception, any new liberal international project must rebuild the bargains and promises that once allowed countries to reap the gains from trade while making good on their commitments to social welfare. Economic openness can last in liberal democracies only if its benefits are widely shared. Without sparking a new era of protectionism, liberal democracies need to work together to manage openness and closure, guided by liberal norms of multilateralism and nondiscrimination. "Democracies have a right to protect their social arrangements," the economist Dani Rodrik has written, "and, when this right clashes with the requirements of the global economy, it is the latter that should give way." If liberal democracies want to ensure that this right to protection does not trigger destructive trade wars, they should decide its exact reach collectively.

How, then, to deal with China and Russia? Both are geopolitical rivals of the United States, and both seek to undermine Western liberal democracies and the U.S.-led liberal order more generally. Their revisionism has put blunt questions of military power and economic influence back on the diplomatic agenda. But on a deeper level, the threat emanating from these states—particularly from China—only gives more urgency to the liberal international agenda and its focus on the problems of modernity. The struggle between the United States and China is ultimately over which country offers a better road to progress. Chinese President Xi Jinping’s great project is to define an alternative path, a model of capitalism without liberalism and democracy. The jury is out on whether a totalitarian regime can pull this off, and there is reason to be skeptical. But in the meantime, the best way to respond to this challenge is for liberal democracies to work together to reform and rebuild their own model.

### **“BRACE UP”**

It would be a grave mistake for the United States to give up any attempt to rescue the liberal order and instead reorient its grand strategy entirely toward great-power competition. The United States would be forfeiting its unique ideas and capacity for leadership. It would become like China and Russia: just another big, powerful state operating in a world of anarchy, nothing more and nothing less. But in its geography, history, institutions, and convictions, the United States is different from all other great powers. Unlike Asian and European states, it is an ocean away from other great powers. In the twentieth century, it alone among the great powers articulated a vision of an open, postimperial world system. More than any other state, it has seen its national interest advanced by promulgating multilateral rules and norms, which amplified and legitimized American power. Why throw all this away?

There simply is no other major state—rising, falling, or muddling through—that can galvanize the world around a vision of open, rules-based multilateral cooperation. China will be powerful, but it will tilt the world away from democratic values and the rule of law. The United States, for its part, needed the partnership of other liberal states even in earlier decades, when it was more capable. Now, as rival states grow more powerful, Washington needs these partnerships more than ever. If it continues to disengage from the world or engages in it only as a classic great power, the last vestiges of the liberal order will disappear.

And so it is left to the United States to lead the way in reclaiming the core premise of the liberal international project: building the international institutions and norms to protect societies from themselves, from one another, and from the violent storms of modernity. It is precisely at a moment of global crisis that great debates about world order open up and new possibilities emerge. This is such a moment, and the liberal democracies should regain their self-confidence and prepare for the future. As Virgil has Aeneas say to his shipwrecked companions, “Brace up, and save yourself for better times.” 🌐

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# Rogue Superpower

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## Why This Could Be an Illiberal American Century

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*Michael Beckley*

NOVEMBER/DECEMBER 2020

**P**resident Donald Trump came into office promising to overhaul U.S. foreign policy. Since then, he has scorned allies, withdrawn the United States from international agreements, and slapped tariffs on friends and foes alike. Many experts bemoan the damage Trump's "America first" policy has done to the so-called liberal international order—the set of institutions and norms that have governed world politics since the end of World War II. They hope that once Trump has left the Oval Office, the United States will resume its role as leader of a liberalizing world.

Don't count on it. The era of liberal U.S. hegemony is an artifact of the Cold War's immediate afterglow. Trump's transactional approach to foreign policy, by contrast, has been the norm for most of U.S. history. As a result, Trump's imprint could endure long after Trump himself is gone.

Trump's approach already appeals to many Americans today. That appeal will grow even stronger in the years ahead as two global trends—rapid population aging and the rise of automation—accelerate, remaking international power dynamics in ways that favor the United States. By 2040, the United States will be the only country with a large, growing

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**MICHAEL BECKLEY** is Associate Professor of Political Science at Tufts University, Jeane Kirkpatrick Visiting Scholar at the American Enterprise Institute, and the author of *Unrivaled: Why America Will Remain the World's Sole Superpower*.



market and the fiscal capacity to sustain a global military presence. Meanwhile, new technologies will reduce U.S. dependence on foreign labor and resources and will equip the U.S. military with new tools to contain the territorial expansion of the country's great-power rivals. As long as the United States does not squander those advantages, it will remain the world's dominant economic and military power.

Remaining the most powerful country, however, is not the same thing as remaining the guarantor of a liberal international order. Somewhat paradoxically, the same trends that will reinforce U.S. economic and military might will also make it harder to play that role—and make Trump's approach more attractive. Since the end of World War II, the United States has seen itself as the chief defender of a democratic capitalist way of life and the champion of a rules-based international system built on liberal values. Washington has provided dozens of countries with military protection, secure shipping routes, and easy access to U.S. dollars and markets. In exchange, those countries have offered their loyalty and, in many cases, have liberalized their own economies and governments.

In the coming decades, however, rapid population aging and the rise of automation will dampen faith in democratic capitalism and fracture the so-called free world at its core. The burdens of caring for older populations and the job losses resulting from new technologies will spur competition for resources and markets. Aging and automation will also lay bare the flaws of the international institutions that governments rely on to tackle common problems, and Americans will feel less dependent on foreign partners than they have in generations. In response, the United States might become a rogue superpower. Like the twentieth century, the twenty-first century will be dominated by the United States. But whereas the previous "American century" was built on a liberal vision of the U.S. role in the world, what we might be witnessing today is the dawn of an illiberal American century.

### **AMERICA THE ALOOF**

Trump's "America first" approach to foreign policy has deep roots in U.S. history. Before 1945, the United States defined its interests narrowly, mostly in terms of money and physical security, and pursued them aggressively, with little regard for the effects on the rest of the world. It espoused liberal values such as freedom and liberty but applied them selectively, both at home and abroad. It formed no alliances besides the

one it signed with France during the Revolutionary War. Its tariffs ranked among the highest in the world. It shunned international institutions. The United States was not isolationist; in fact, its rampant territorial expansion inspired the envy of Adolf Hitler. But it was often aloof.

The United States could afford to pursue its goals alone because it, unlike other powerful countries, was self-sufficient. By the 1880s, the United States was the world's richest country, largest consumer market, and leading manufacturer and energy producer, with vast natural resources and no major threats. With so much going for it at home, the United States had little interest in forging alliances abroad.

That changed during the Cold War, when the Soviet military occupied large swaths of Eurasia and communism attracted hundreds of millions of followers worldwide. By the early 1950s, Moscow had twice the military might of continental Western Europe, and communists ruled over 35 percent of the world's industrial resources. The United States needed strong partners to contain these threats, so it bankrolled an alliance, providing dozens of countries with security guarantees and easy access to American markets.

But when the Cold War ended, Americans increasingly did not see the point of U.S. global leadership and became ever more wary of overseas entanglements. In the decades that followed, U.S. presidents often took office having pledged to do less abroad and more at home. Despite such promises, the post-Cold War era saw Washington launch numerous military interventions (in the Balkans, Afghanistan, Iraq, Libya) and witnessed the further expansion of the U.S.-led liberal order, as China joined the World Trade Organization, the European Union solidified, NATO expanded, and the global economy relied ever more on U.S. institutions.

That trend is one reason why many American elites, who mostly welcomed the spread of U.S. liberal hegemony, were shocked by Trump's election on an "America first" platform. It would be comforting to blame the country's current nationalist posture on Trump alone, but Americans' support for the postwar liberal order has been shaky for decades. Surveys now show that more than 60 percent of Americans want the United States simply to look after itself. When pollsters ask Americans what ought to be the priorities of U.S. foreign policy, few cite promoting democracy, trade, and human rights—the core activities of liberal international leadership. Instead, they point to preventing terrorist attacks, protecting U.S. jobs, and reducing illegal immigration. Roughly half of those surveyed say they oppose sending U.S. troops to defend

allies under attack, and nearly 80 percent favor the use of tariffs to prevent job losses from trade. Trump's approach is no aberration; it taps into a current that has always run through American political culture.

### **AN AGING WORLD**

In the years ahead, Americans' support for the liberal order may decline further still thanks to demographic and technological changes that will increase the United States' economic and military lead and make the country less dependent on others. First, most countries' populations are growing older, many at extremely fast rates. By 2070, the median age of the world's population will have doubled compared with 100 years earlier, from 20 years old to 40 years old, and the share of people aged 65 and older in the global population will have nearly quadrupled, from five percent to 19 percent. For millennia, young people have vastly outnumbered the elderly. But in 2018, for the first time ever, there were more people over the age of 64 than under six.

The United States will soon be the only country with a large, growing market. Among the world's 20 largest economies, only Australia, Canada, and the United States will have growing populations of adults aged 20 to 49 throughout the next 50 years. The other large economies will suffer, on average, a 16 percent decline in that critical age group, with most of the demographic decline concentrated among the world's most powerful economic players. China, for example, will lose 225 million young workers and consumers aged 20 to 49, a whopping 36 percent of its current total. Japan's population of 20- to 49-year-olds will shrink by 42 percent, Russia's by 23 percent, and Germany's by 17 percent. India's will grow until 2040 and then decline rapidly. Meanwhile, the United States' will expand by ten percent. The American market is already as large as that of the next five countries combined, and the United States depends less on foreign trade and investment than almost any other country. As other major economies shrivel, the United States will become even more central to global growth and even less reliant on international commerce.

The United States will also have less need for staunch allies, because rapid aging will hobble the military expansion of its great-power adversaries. By 2050, Russia's spending on pensions and medical care for the elderly will increase by nearly 50 percent as a share of its GDP, and China's will nearly triple, whereas in the United States, such spending will increase by only 35 percent. Russia and China will soon face severe choices between buying guns for their militaries and buying canes

for their ballooning elderly populations, and history suggests they will prioritize the latter to prevent domestic unrest. Even if Russia and China do not cut their military spending, they will struggle to modernize their militaries because of the rapid aging of their troops. Personnel costs already consume 46 percent of Russia's military budget (compared with 25 percent of the U.S. military budget) and likely will exceed 50 percent this decade as a wave of older troops retire and draw pensions. China's personnel costs are officially listed at 31 percent of its military budget, but independent estimates suggest they consume nearly half of China's defense spending and will rise in the years ahead.

### **AUTOMATION ADVANTAGE**

Rapid aging around the world will accelerate the United States' economic and military lead over its great-power rivals and will take place alongside a similarly advantageous trend: the growth of automation. Machines are becoming exponentially faster, smaller, and cheaper. Even more important, they are developing the ability to adapt to new information—a process sometimes called “machine learning,” a type of artificial intelligence. As a result, new machines combine the number-crunching capabilities of computers, the brute strength of industrial machinery, and some of the intuition, situational awareness, and dexterity that were previously the preserve of humans. Thanks to these innovations, nearly half of the jobs in today's economy could be automated by the 2030s.

Like global aging, the widespread adoption of smart machines will reduce the United States' economic dependence on other countries. The United States already enjoys a substantial lead in the industries driving the automation trend. For instance, it has nearly five times as many artificial intelligence companies and experts as China, the second-place country, and its shares of the world's artificial intelligence software and hardware markets are several times as large as China's. U.S. firms can leverage this technological lead by using advanced automation to replace sprawling global supply chains with vertically integrated factories in the United States. Service industries will follow suit as artificial intelligence takes over more tasks. Call centers, for example, are already moving from foreign countries to the United States. For decades, the United States has chased cheap labor and resources abroad. Now those days look to be numbered, as automation allows the United States to rely more on itself.

The rise of smart machines will also help Washington contain the military rise of its rivals. Instead of waiting for crises to break out, the United States will be able to preposition armed drones and missile launchers in potential conflict zones. These drones and missiles will act as high-tech minefields, capable of annihilating enemy invasion forces. They are also difficult to eliminate and cheap to purchase. For the price of one aircraft carrier, for example, the United States could buy 6,500 XQ-58A stealth drones or 8,500 loitering cruise missiles. By deploying such weapons, the United States will be able to capitalize on a fundamental asymmetry in war aims: whereas U.S. rivals such as China and Russia need to seize and control territory (Taiwan, the Baltics) to achieve their goal of regional hegemony, the United States needs only to deny them that control, a mission that networks of smart drones and missiles are well suited to perform.

### **THE SAGGING LIBERAL ORDER**

Aging and automation will likely make the United States stronger—but they are unlikely to shore up the sagging U.S.-led liberal order. In liberal democracies across the world, public support for that order has long rested on rising incomes for the working class, which in turn were largely the result of growing populations and job-creating technologies. The postwar baby boom produced scores of young workers and consumers, and the assembly line provided them with stable jobs. But today, populations across the democratic world are aging and shrinking, and machines are eliminating jobs. The basic bargain—work hard, support the liberal system, and trust that a rising economic tide will lift all boats—has broken down. Nationalism and xenophobia are filling the void.

The outlook is more dire than many people realize. Over the next 30 years, the working-age populations of the United States' democratic allies will shrink by 12 percent, on average, making sustained economic growth almost impossible. Meanwhile, the senior populations of these countries will expand by 57 percent, on average, and their average spending on pensions and health care will double as a share of GDP. These countries will not be able to borrow their way out of the resulting fiscal mess, because they already carried debts equal to 270 percent of GDP, on average, before the COVID-19 pandemic plunged their balance sheets further into the red. Instead, they will have to cut entitlements for the elderly, slash social spending for the young, raise taxes, or increase immigration—all of which would likely produce political backlashes.

Rapid automation will intensify the economic turmoil. History has shown that technological revolutions create prosperity in the long run but force some workers into lower-wage jobs or unemployment in the short run—and the short run can last generations. For the first 70 years of the Industrial Revolution in Great Britain, from 1770 to 1840, average wages stagnated and living standards declined, even as output per worker grew by nearly 50 percent. The gains from mass mechanization during this time were captured by tycoons, whose profit rates doubled. Across the developed world today, machines are once again eliminating jobs faster than displaced workers can retrain for new ones, wages for low- and middle-skill workers are stagnating, and millions of people—especially men without college degrees—are dropping out of the workforce. Many economists expect these trends to persist for several decades as labor-replacing technologies currently in development—such as robotic cars, stores, warehouses, and kitchens—are widely adopted.

Sluggish growth, enormous debts, stagnant wages, chronic unemployment, and extreme inequality are bound to breed nationalism and extremism. In the 1930s, economic frustrations caused many people to reject democracy and international cooperation and to embrace fascism or communism. Today, ultranationalists are ascendant across the democratic world—and not just in fledgling democracies in eastern Europe. In Germany, for example, a right-wing nationalist party, Alternative for Germany, now holds the third-largest number of seats in the parliament, and cases of neo-Nazi infiltration in the military and the police have multiplied alarmingly. The United States' task of leading the liberal world order will grow harder as nationalists gain power and raise tariffs, close borders, and abandon international institutions.

## **A ROGUE SUPERPOWER**

Faced with flailing allies and a divided and apathetic public, the United States might start acting less like the head of a grand coalition and more like a rogue superpower—an economic and military colossus lacking moral commitments, neither isolationist nor internationalist, but aggressive, heavily armed, and entirely out for itself. In fact, under Trump, it already seems to be headed in that direction. During Trump's time in office, some U.S. security guarantees have started to look like protection rackets, with the president musing that allies should pay the costs of hosting U.S. troops plus a 50 percent premium. The Trump administration has taken to enforcing trade deals

with unilateral tariffs rather than working through the World Trade Organization. Trump has largely abandoned the goal of democracy promotion and has downgraded diplomacy, gutting the State Department and handing ever more responsibility to the Pentagon. The U.S. military is changing, too. Increasingly, it is a force geared for punishment rather than protection. The Trump administration has downsized permanent U.S. deployments on allied territory, replacing them with roving expeditionary units that can steam overseas, smash targets, and then slink back over the horizon.

Many of Trump's critics decry these changes as not just unwise but also somehow un-American. But Trump's approach appeals to many Americans today and aligns with their preferences regarding the United States' role in the world. If these conditions persist, the best-case scenario for American leadership may involve Washington adopting a more nationalist version of liberal internationalism. The United States could retain allies but make them pay more for protection. It could sign trade agreements, but only with countries that adopt U.S. regulatory standards; participate in international institutions but threaten to leave them when they act against U.S. interests; and promote democracy and human rights, but mainly to destabilize geopolitical rivals.

Alternatively, the United States might exit the global order business altogether. Instead of trying to reassure weaker nations by supporting international rules and institutions, the United States would deploy every tool in its coercive arsenal—tariffs, financial sanctions, visa restrictions, cyber-espionage, and drone strikes—to wring the best deal possible out of both allies and adversaries. There would be no enduring partnerships based on common values—just transactions. U.S. leaders would judge other countries not by their willingness to help solve global problems or whether they were democracies or autocracies but only by their ability to create American jobs or eliminate threats to the U.S. homeland. Most countries, according to these criteria, would be irrelevant.

American commerce could steadily shift to the Western Hemisphere and especially to North America, which already accounts for a third of U.S. trade and a third of global GDP. At a time when other regions face setbacks from aging populations and rising automation, North America is the only region with all the ingredients necessary for sustained economic growth: a huge and growing market of wealthy consumers, abundant raw materials, a mix of high-skill and low-cost labor, advanced technology, and peaceful international relations.

U.S. strategic alliances, meanwhile, might still exist on paper, but most would be dead letters. Washington might retain only two sets of regular partners. The first would include Australia, Canada, Japan, and the United Kingdom. These countries are strategically arrayed across the globe, and their militaries and intelligence agencies are already integrated with Washington's. All but Japan boast growing working-age populations, unlike most other U.S. allies, and thus have the potential tax bases to contribute to U.S. missions. The second group would consist of places such as the Baltic states, the Gulf Arab monarchies, and Taiwan, which share borders with or sit in close proximity to U.S. adversaries. The United States would continue to arm these partners but would no longer plan to defend them. Instead, Washington would essentially use them as buffers to check Chinese, Iranian, and Russian expansion without direct U.S. intervention.

Outside of those partnerships, all of Washington's alliances and relationships—including NATO and its connections with longtime allies such as South Korea—would be negotiable. The United States would no longer woo countries to participate in multilateral alliances. Instead, other countries would have to bargain on a bilateral basis for U.S. protection and market access. Countries with little to offer would have to find new partners or fend for themselves.

What would happen to the world if the United States fully embraced this kind of "America first" vision? Some analysts paint catastrophic pictures. Robert Kagan foresees a return to the despotism, protectionism, and strife of the 1930s, with China and Russia reprising the roles of imperial Japan and Nazi Germany. Peter Zeihan predicts a violent scramble for security and resources, in which Russia invades its neighbors and East Asia descends into naval warfare. These forecasts may be extreme, but they reflect an essential truth: the post-war order, although flawed and incomplete in many ways, has fostered the most peaceful and prosperous period in human history, and its absence would make the world a more dangerous place.

Thanks to the U.S.-led order, for decades, most countries have not had to fight for market access, guard their supply chains, or even seriously defend their borders. The U.S. Navy has kept international waterways open, the U.S. market has provided reliable consumer demand and capital for dozens of countries, and U.S. security guarantees have covered nearly 70 nations. Such assurances have benefited everyone: not just Washington's allies and partners but also its adversaries. U.S. secu-



rity guarantees had the effect of neutering Germany and Japan, the main regional rivals of Russia and China, respectively. In turn, Moscow and Beijing could focus on forging ties with the rest of the world rather than fighting their historical enemies. Without U.S. patronage and protection, countries would have to get back in the business of securing themselves and their economic lifelines.

Such a world would see the return of great-power mercantilism and new forms of imperialism. Powerful countries would once again try to reduce their economic insecurity by establishing exclusive economic zones, where their firms could enjoy cheap and secure access to raw materials and large captive consumer markets. Today, China is already starting to do this with its Belt and Road Initiative, a network of infrastructure projects around the world; its “Made in China 2025” policy, to stimulate domestic production and consumption; and its attempts to create a closed-off, parallel Internet. If the United States follows suit, other countries will have to attach themselves to an American or a Chinese bloc—or forge blocs of their own. France might seek to restore its grip on its former African colonies. Russia might accelerate its efforts to corral former Soviet states into a regional trade union. Germany increasingly would have to look beyond Europe’s shrinking populations to find buyers for its exports—and it would have to develop the military capacity to secure those new far-flung markets and supply lines, too.

As great powers competed for economic spheres, global governance would erode. Geopolitical conflict would paralyze the UN, as was the case during the Cold War. NATO might dissolve as the United States cherry-picked partners. And the unraveling of the U.S. security blanket over Europe could mean the end of the European Union, too, which already suffers from deep divisions. The few arms control treaties that remain in force today might fall by the wayside as countries militarized to defend themselves. Efforts to combat transnational problems—such as climate change, financial crises, or pandemics—would mimic the world’s shambolic response to COVID-19, when countries hoarded supplies, the World Health Organization parroted Chinese misinformation, and the United States withdrew into itself.

The resulting disorder would jeopardize the very survival of some states. Since 1945, the number of countries in the world has tripled, from 46 to nearly 200. Most of these new states, however, are weak and lack energy, resources, food, domestic markets, advanced technology, military power, or defensible borders. According to research by the

political scientist Arjun Chowdhury, two-thirds of all countries today cannot provide basic services to their people without international help. In short, most countries depend critically on the postwar order, which has offered historically unprecedented access to international aid, markets, shipping, and protection. Without such support, some countries would collapse or be conquered. Fragile, aid-dependent states such as Afghanistan, Haiti, and Liberia are only some of the most obvious high-risk cases. Less obvious ones are capable but trade-dependent countries such as Saudi Arabia, Singapore, and South Korea, whose economic systems would struggle to function in a world of closed markets and militarized sea-lanes.

### **A PATH FORWARD**

None of these grim outcomes is inevitable. And in the long run, aging populations and automation could make the world more peaceful and prosperous than it has ever been. Ultimately, older societies tend to be less belligerent than younger ones, and technological revolutions usually boost productivity and free workers from drudgery.

But the path to an older and more automated future will be tumultuous. To keep the current liberal order together, the United States would need to take an unusually generous view of its interests. It would need to subordinate the pursuit of national wealth and power to a common aspiration for international order. It would also need to redistribute wealth domestically to maintain political support for liberal leadership abroad.

As the world enters a period of demographic and technological disruption, however, such a path will become increasingly hard to follow. As a result, there may be little hope that the United States will protect partners, patrol sea-lanes, or promote democracy and free trade while asking for little in exchange. A nationalist mood has taken hold in the United States, and for the foreseeable future, it will be the shape of things to come. It is not an anomaly produced by the Trump administration; rather, it is a deeply rooted trend that threatens the rebirth of an older approach to U.S. foreign policy—one that prevailed during the darkest decades of the past century.

The best hope for the liberal world order is that future U.S. administrations find ways to channel growing nationalist impulses in internationalist directions. The United States has occasionally undertaken liberal campaigns for selfish reasons. It opposed European colonialism in part to open markets for U.S. goods, for example, and it nur-

tured and protected a community of capitalist democracies to crush Soviet communism and establish its global dominance. These campaigns garnered public support because they linked liberal ideals to vital U.S. interests. A similar approach could work today.

Americans may not want to fight and die to defend their country's far-flung allies, but they do want to prevent authoritarian powers, such as China and Russia, from becoming regional hegemons. The United States could therefore replace some of its most vulnerable bases on allied territories with diffuse networks of missile launchers and drones, thereby containing Chinese and Russian expansion while reducing the number of American lives on the line. Americans would also stand for protecting U.S. workers and businesses. Although the American public opposes trade deals that spur outsourcing, strong support exists for deals that create a level playing field for U.S. businesses. The United States could therefore use its enormous economic clout to compel trading partners to adopt American standards on labor, the environment, and intellectual property protection. Americans are unenthusiastic about promoting democracy overseas but willing to partner with allies to defend U.S. institutions from foreign meddling. Thus, the United States could forge a coalition of democracies to coordinate collective sanctions against foreign powers that interfere in democratic elections. Eventually, the coalition could become a liberal bloc that excludes countries that do not respect open commerce and freedom of expression and navigation.

Compared with leading a global liberal order, this more nationalist version of U.S. engagement may seem stingy and uninspiring. But it would be more realistic—and ultimately more effective at holding the free world together during a period of unprecedented demographic and technological change. 🌐