Understanding America’s Contested Primacy

Dr. Eric S. Edelman
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CONTESTED PRIMACY

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Facing up to China
In November 2008, the National Intelligence Council released *Global Trends 2025* which argued that “the international system—as constructed following the Second World War—will be almost unrecognizable by 2025 owing to the rise of emerging powers, a globalizing economy, a historic transfer of relative wealth and economic power from West to East, and the growing influence of non-state actors. By 2025 the international system will be a **global multipolar one** with gaps in national power continuing to narrow between developed and developing countries” [emphasis in original].¹ This conclusion represented a striking departure from the NIC’s conclusion four years earlier in *Mapping the Global Future 2020* that unipolarity was likely to remain a persistent condition of the international system.

Between the two reports America’s zeitgeist had clearly shifted under the impact of persistent difficulty in the counterinsurgency wars in Iraq and Afghanistan and increased questioning of United States global leadership (at home and abroad), the seemingly inexorable rise of the newly emerging economies (suggestively labeled as the BRICs by Goldman Sachs analysts), and the global economic downturn and recession in the United States. The overall impact was the creation of a new conventional wisdom that foresees continued decline of the United States, an end to the unipolar world order that marked the post-Cold War world and a potential departure from the pursuit of US primacy that marked the foreign policies of the three presidential administrations that followed the end of the Cold War.

The debate over unipolarity and continued US primacy is not merely an academic debate. Perceptions of US power will guide both American policymakers...
and other nations as they consider their policy options. Primacy has underpinned US grand strategy since the end of the Cold War because no other nation was able to provide the collective public goods that have upheld the security of the international system and enabled a period of dramatically increased global economic activity and prosperity. Both the United States and the global system have benefitted from that circumstance.

The arguments for US decline are not new but before they harden into an unchallenged orthodoxy it would be good to carefully examine many of the key assumptions that undergird the emerging conventional wisdom. Will the undeniable relative decline of the United States, in fact, lead to the end of unipolarity? Do the BRIC countries really represent a bloc? What would multipolarity look like? How does one measure national power anyhow, and how can one measure the change in the power distribution globally? Is the rise of global competitors inevitable? What are some of the weaknesses that might hamper the would-be competitors from staying on their current favorable economic and political trajectory? Does the United States possess some underappreciated strengths that might serve as the basis for continued primacy in the international system and, if so, what steps would a prudent government take to extend that primacy into the future?

The history of straight-line projections of economic growth and the rise of challengers to the dominance of the United States has not been kind to those who have previously predicted US decline. It is not necessarily the case that the United States will be caught between the end of the “unipolar moment” of post-Cold War predominance and a global multipolar world. The emerging international environment is likely to be different than either of the futures forecast by the NIC in Mapping the Global Future in 2004 or Global Trends 2025 in 2008. It would seem more likely that the relative decline of American power will still leave the United States as the most powerful actor in the international system. But the economic rise of other nations and the spread of nuclear weapons in some key regions are likely to confront the US with difficult new challenges.

The revived notion of America’s decline has once again brought to the fore a question about the purposes of United States power and the value of US international primacy. Seeking to maintain America’s advantage as the prime player in the international system imposes costs on the US budget and taxpayer. It is certainly fair to ask what the United States gets from exerting the effort to remain number one. It is also worth considering what the world would look like if the United States was just one power among many, and how such perceptions might affect the strategic and policy choices national security decision-makers will face over the next twenty-odd years.

Primacy both allows the state to advance its own specific policy objectives and gives it greater freedom of action in the pursuit of those ends. Throughout most of the twentieth century American presidents have considered it to be in the US interest to seek a “liberal world order” comprised of an international economic
system characterized by openness, free trade and free flows of investment, and an international political arrangement characterized by a growing number of liberal democratic states. The theory behind the continued adherence to a strategy of maintaining primacy has been that only the security provided by a strong power or group of powers can underpin the liberal economic and political order that is conducive to economic growth, representative government and international peace and prosperity. Since the end of the Cold War this view has had consistent bipartisan support.

Although the point remains controversial it seems apparent that America, while clearly creating some resentments with its policies, continues to be seen (particularly by governments) as relatively benign in its interactions with other powers. America shares a fundamental view of the world rooted in the neo-liberal orthodoxy of free markets, open societies, and democratic institutions that emerged as a consensus prescription for peace and prosperity after the collapse of communism. This “transnational liberalism” inclines national elites to see a broad confluence of interest with the United States and reduces their tendency to try and counterbalance American power. As the guarantor of the international world economy and a provider of security and stability because of its alliance system, the United States provides global public goods which others cannot provide.

Accepting the new conventional wisdom of decline and an end of US primacy could well lead to an alteration of the strategic underpinnings of American global policy and could become a self-fulfilling prophecy.

A rigorous assessment should consider the strengths and weaknesses of the United States’ putative competitors on the global scene as well as the enduring strengths and sources of resilience that have enabled America to extend its primacy and maintain a stabilizing, global hegemonic role against all expectations. There is a need for a framework to inform how US policymakers might think about the problem of developing strategies and policies to extend that role yet again, since it is at least an arguable proposition that rather than a multipolar world, the global system, after the current Great Recession passes, will continue to be unipolar but with some additional challenges for US leadership.

The 2008 NIC report reflected a wave of “declinism” — the belief that American power is on the wane, that other powers are rising, particularly the so-called BRICs (Brazil, Russia, India and China) and that the United States needs to adjust its international ambitions and eschew continued primacy in favor of accommodating the rising powers in the interest of greater global governance. Ideas about American decline can cut two ways. They can predispose policymakers to pursue policies that actually accelerate decline or they can spark leaders to pursue courses of action that renew American economic vitality in order to reverse decline.

Understanding that declinism is a persuasion can help one assess the arguments that are adduced to support the proposition that the United States is in decline. The debate over primacy is not a partisan issue. Both Republicans
and Democrats have been divided over the issue of whether and how to maintain America’s primacy in the international system. As the country contends with a rising China, the increased economic clout of the other so-called BRIC countries, and the prospect of a multipolar world these debates will undoubtedly continue. One factor that will shape the debate is the willingness of the American people to support the policy and pay the attendant costs of continued predominance. Some believe that the American public, exhausted by eight years of military exertion in Iraq and Afghanistan, and focused by the Great Recession on job creation and health care, may be willing to accommodate US policy to other rising powers and forego a policy of global primacy. There is no doubt that these factors have shaped the recent public perception of America’s role in the world. Poll data has long shown that, when asked for their view, Americans will express a preference for acting in concert with other nations in the international arena. There has also, however, been consistent public support for US leadership in global affairs. It seems likely that when faced with choices about decline Americans are likely to opt for continued leadership. That certainly is the lesson of the post-Cold War period.

An anti-declinist literature also emerged in the late 1980s and is now reappearing in the wake of the *Global Trends 2025* report. The anti-declinists undoubtedly feel strengthened in their convictions because the declinists have been consistently wrong in the past. But simply because the declinists have heretofore been wrong does not mean that they are not correct in their prognosis this time. Their arguments need to be taken seriously. America’s ability to adapt should not be underestimated, but America’s enduring primacy and the length of the unipolar moment are clearly going to be a matter of intensified debate in the next few years. A proper evaluation will depend on how we attempt to measure the power of those countries that might become additional poles in a multipolar world, and how we evaluate America’s enduring strength and capacity for revival.

American decline and the longevity of a unipolar world order will not be determined purely by economic gains or losses. The future shape of the international system will depend on broader measures of national power than the percentage of global production that a given state controls. Measuring national power, however, is notoriously difficult. In an unprecedented situation of unipolarity, with little historical precedent to guide analysts, the measurement of relative power shifts is perhaps harder still.

The main metrics tend to include GDP, population, defense spending, and then a variety of other factors. There are differences among the various methods as to how one might quantify or otherwise measure many of the factors. But since all agree that these kinds of measurements are inherently subjective it is not surprising that slightly different factors and different weights to different factors can lead to differing results. It is not clear how much these models can account
for discontinuities and dynamic changes as opposed to straight-line projections and relative shifts in power. Nor is it clear that the models can really measure the all-important question of how world leaders perceive shifts in relative national strength and power. The key factor would seem to be getting at the ability of countries to convert resources into usable power combining both hard power and soft power.

At the end of the day, at least as important as the objective measures of national power are the subjective assessments of international statesmen and military leaders about the international distribution of power. Those judgments are inevitably affected by a range of cultural, psychological, bureaucratic and political factors. The debate over American decline and whether or not we are entering a multipolar, as opposed to unipolar, world in and of itself will inevitably have an impact on those subjective judgments.

Our assessment of putative powers, however, will cover the traditional contenders, Europe and Japan, and include the so-called BRICs as well.

**EUROPE**

Many of the declinist predictions of the late 1990s, as well as the most recent wave, have taken as a point of departure that a united Europe will comprise a key component of a prospective multipolar world. Even before the economic crisis began to take the wind out of European sails, the EU was not effectively translating its economic potential into power on the international stage. The persistence of national differences (and sensitivities) on foreign affairs have contributed to the failure to develop a “common strategic culture.”

Continued dependence on the United States security guarantee has allowed Europeans to spend less for their own security. These considerations have forced even Euro-triumphalists (who otherwise believe that America is in decline, the United States must adjust its policies, and Europe must become part of the “post-American world”) to admit that Europe maintains a set of shared interests with the US, relies on US security guarantees and a series of “special relationships” to maintain stability.

Europe's biggest challenge is demographic. It is a challenge that has the potential to exacerbate both economic and social problems in Europe and renders even more unlikely the notion that Europe will increase its military power or be willing to wield it outside of Europe. Even if Europe were able to surmount these demographic trends, the political challenges of deeper and more extensive European integration remain. As *Global Trends 2025* suggests the EU could well become a “hobbled giant distracted by internal bickering and competing national agendas, and less able to translate its economic clout into global influence.”
JAPAN

In the 1970s and 1980s it was widely assumed that Japan would join Europe in becoming one of the new powers in an emerging multipolar world. Rather than scaling the heights of global economic dominance, Japan suddenly entered a decade of deep recession, economic stagnation, income loss, high levels of unemployment and political drift as its “asset bubble” burst. The failure to systematically attack the weaknesses in the banking sector exposed by the financial crisis, an overbearing bureaucracy, the intrinsic difficulty of government picking business winners and losers, a highly regulated economy and inflexible business techniques appear to have been the main causes of Japan’s woes. Today, Japan barely figures in the discussions of an emerging, multipolar world for two reasons: 1) the “lost decade” of stagnation, compounded by the Great Recession; and 2) Japan’s daunting demographics. It faces a wave of aging that is not only larger than that of any other developed country, but that is also approaching much faster.

BRAZIL

After many years of anticipation it may well be that Brazil is finally “getting it together.” With a growth rate of five percent and additional oil resources coming on line, Brazil has no domestic security issues or hostile neighbors and is hospitable to FDI. Nonetheless, Brazil still has longstanding economic and social limitations. On the regional level, Brazil has already played a leading role in managing hemispheric security issues like the crises in Haiti and more recently in Honduras; however, as the NIC suggests a more global role would appear to be a bit of a stretch, particularly given the economic vulnerabilities mentioned above. If anything, Brazil looks like a prime candidate for a stronger relationship with the United States in order to serve as a model-example of successful integration into the global economy and an alternative to the populist, anti-globalization agenda promoted by Venezuela’s Hugo Chavez, as well as to help manage security problems in the hemisphere (much as India may emerge as a US partner in Asia).

RUSSIA

The Global Trends 2025 prognosis for Russia’s future is of two minds. “Russia has the potential to be richer, more powerful, and more self-assured in 2025 if it invests in human capital, expands and diversifies its economy, and integrates with global markets.” Whether the more benign Russia mooted by Global Trends 2025 emerges will, to a large degree, depend on whether Russia under President Medvedev returns to the agenda of structural reform that was largely abandoned under Putin’s presidency. Some believe this may be happening and see incipient
policy differences between Prime Minister Putin and President Medvedev. Others are not so sure. Even if Medvedev were to aggressively promote the reform agenda, however, he would find Russia’s catastrophic demographic situation a powerful limitation. Given the large energy and mineral resources present in the Far East it is hard to imagine that the demographic imbalance along the border will not give rise to serious political tensions between the Russian Federation and China.

Nicholas Eberstadt has described Russia’s contemporary demographic disaster as only the most recent episode of population decline in the past one hundred years, albeit the first not resulting from revolution, forced collectivization or war but rather the peaceful collapse of the Soviet Union. Global Trends 2025 acknowledges Russia’s demographic predicaments in more muted terms, noting blandly that “Russia’s fertility and mortality problems are likely to persist through 2025, Russia’s economy ... will have to support the large proportion of dependents.” The demographic and health limits on military manpower are likely to compel Russia into a long-term continued reliance on nuclear weapons as the only conceivable counter-balance to others’ military power. Its general-purpose conventional forces, while posing a limited threat to former parts of the Soviet empire, like Ukraine or Georgia, will be a decreasing concern at the global level.

**INDIA**

In 2004 the NIC’s Mapping the Global Future report identified India as a rising power along with China. At current rates of growth, India will surpass China, sometime after 2025, as the country with the world’s largest population. India has been averaging about 5 percent growth per year for the last decade. Forecasts for future growth are bright. Economic success in India is also generating increased military capability. India, however, is also beset by an array of demographic, economic, social, political and security problems that are daunting to say the least. Even if the most bullish projections for India do not come to pass it is clearly a country on an upward trajectory. Given its historical association with the Soviet Union during the Cold War and its “non-aligned movement” outlook on international institutions one might see India as a likely candidate to balance or seek to counteract US power. Nevertheless, that has not been the case. Both countries share democratic values and, at least among the elite in India, the English language. India and the United States also share the same strategic preoccupations: both are worried about the activities of Islamist extremists and the rise of China. The development of a US-Indian strategic partnership will not come easily or quickly. Like Brazil, India has naturally identified with the developing world in the North-South disputes that persisted through the Cold War.

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and beyond. Indian negotiating behavior in international fora has been difficult and obstructive. Because of its colonial background, national sovereignty issues are particularly sensitive. Exactly what kind of “great power” India will become is still a matter of some debate in India. The nature of Indian identity has been contested for some time and it would only stand to reason that the uncertainties about what India is would be reflected in any discussion of what role it wants to play as it increases its weight in world affairs.

**CHINA**

The rise of China has attracted more attention than any of the other of the so-called BRICs. According to the *Global Trends 2025* report, “if current trends persist, by 2025 China will have the world's second-largest economy and will be a leading military power.” The global recession has barely put a dent in China's ascent. Chinese officials have been at pains to assure one and all that they have no aspirations of hegemony or dominion over other countries. This “charm offensive,” beginning in Southeast Asia but rapidly expanding to Africa and Latin America, has demonstrated China's ability to wield soft power. But China's intentions and aims may become more expansive as its power increases. The strong hold of the state on the economy and the patronage relationships that link the party and state to major industries have generated massive waste and inefficiencies in the economy. Rising income inequality and arbitrary abuses of authority have created a combustible mix of socio-economic tension and unrest. Rising levels of social protest have become an everyday occurrence in China. China's demography, however, may present the country’s leaders with the most intractable issues of all. In the next decade-and-a-half China's population will stop growing and begin to decline. The proportion of elderly to working-age individuals will also shift, giving China a so-called “4-2-1” population structure in which one child will have to support two parents and four grandparents. China's approaching demographic shifts will also intersect with a growing gender imbalance in the younger age cohorts of its population. The potential for a perfect storm of economic, demographic, and social unrest has led some observers to conjecture that China, far from being a rising power, is actually on the verge of collapse. For the moment, however, the focus remains on a strong China, in particular because its economic advance has enabled it to amass significant and growing military capabilities. Even if China experiences more obstacles to growth than described in *Global Trends 2025*, it is clear that China will continue to be assertive, but it is hard to know exactly what form that new assertiveness will take. Some suggest that China's increasing economic and military strength will drive a contest for power in the region and a long-term strategic competition with the United States. Others believe China’s increased interaction with multilateral institutions will
help it integrate peacefully into the international system as a responsible stakeholder. Much will depend on the ideas that China's leadership develops about its global role. The increasing discussion of the “decline” of the United States, and the West more broadly, could have an impact on the attitudes of Chinese leaders and the methods they will employ in accomplishing China's international objectives.

All the countries we have considered have strengths and the potential to increase their power, but all of them are also certain to face serious problems. The period of unipolarity has been based on a singular fact: the United States is the first leading state in modern international history with decisive preponderance in all the underlying components of power: economic, military, technological and geopolitical. With the possible exception of Brazil, all the other powers face serious internal and external security challenges. Japan, with its economic and demographic challenges, must deal with a de facto nuclear-armed, failing state (the DPRK) nearby and must also cast an uneasy glance at a rising China. India has domestic violence, insurgencies in bordering countries (Nepal and Bangladesh) and a persistent security dilemma with respect to China. The demographic challenges will be particularly acute for Europe, Japan, and Russia in the areas of military manpower and economic growth. The results will either diminish overall military strength or, in the case of Russia, impose a greater reliance on nuclear weapons.

With all of the problems and uncertainties that the emerging economies face and the enormous challenges that bedevil the developed world in Europe and Japan, only one thing seems certain: events will drive international economics and politics in directions that no one now anticipates and the certainties about rising and falling powers are likely to be knocked askew by a fickle and unpredictable fate.

As global wealth and power flow to Asia, even if it does not occur as quickly and completely as some boosters maintain, America's margin of superiority will decline to some degree. Whether the international system moves toward a multipolar world, as forecast by Global Trends 2025, however, will depend to a large degree on how people perceive the relative shifts in power and how they choose to act on those perceptions.

America's geographic position is fixed and has been a persistent source of strength.

As Samuel Huntington has noted, US power “flows from its structural position in world politics...geographically distant from most major areas of world conflict” as well as from “being involved in a historically uniquely diversified network of alliances.” Natural resources are another area of enduring advantage for the United States. America’s farmers and producers have never been more efficient or productive than they are today. Agriculture has been “a bastion of American competitiveness.” Energy resources are another advantage. The media
have lavished a great deal of attention on the United States’ dependency on imported oil, a true strategic liability, but they have neglected coal and gas resources. In fact, the United States (combined with Canada) trails only the Middle East in the wealth of its energy resources. Industrial capacity is an area where the decline of the US manufacturing sector has been seen as a surrogate for broader US decline. The United States’ transition to a post-industrial, information-technology-oriented and heavily financialized economy was an important part of avoiding the predictions of “imperial overstretch” in the 1990s. In the wake of the Great Recession the post-industrial transition is seen as perhaps an Achilles’ heel of the US economy. These views probably underestimate a few factors that should help the United States navigate the current transition from the first unipolar era to whatever follows it.

Openness to innovation can play an important role in extending the United States’ leading role in the world. Some scholars believe that innovation is the key to countries emerging as system leaders in sectors that power long waves of economic activity and growth. Failure to maintain system leadership in these sectors is a key cause of decline. Another factor that may propel the United States to a more rapid recovery is the so-called “American creed,” which includes a very heavy dose of hostility to the role of the state in the economy. A larger private sector may well continue to provide entrepreneurs and innovators the scope to prolong America’s leading sector primacy in the international economy.

An additional, and extremely important, long-term factor underpinning likely continued US global economic leadership is demographics. The US fertility rates are among the highest in the developed world and are virtually at replacement. With a growing population that will be more youthful than other developed countries (or China) the United States would appear to be in a favorable position. One could also add to the long list of US advantages the political and social stability that has made it the safe haven for global investors. None of these advantages, however, including the United States’ military power, mean that the United States is destined to remain the preponderant power or that unipolarity will continue to characterize the international system indefinitely. Bad policy decisions in a number of areas could negate or squander US advantages. In addition the United States faces many of its own challenges. Despite its demographic health the United States will have to meet the unfunded pension liabilities represented by the aging of the baby boom generation. The nation’s standing has also suffered from the mismanagement of the wars in Iraq and Afghanistan. Without a concerted effort by the United States, the international system could move in the direction of nonpolarity or apolarity with no nation clearly playing a leading role in trying to organize the international system. The result would be a vacuum of leadership unable to manage the plethora of contemporary problems besetting the world like terrorism, nuclear proliferation, ethnic and sectarians
wars, humanitarian disasters, crime, narcotics trafficking, pandemic disease and global climate change to name just a few.

If the United States accepts the diagnosis of “decline” and seeks to accommodate itself to rising powers, it will likely hasten the timing of that decline and the passing of American primacy. If US leaders choose to continue the path that earlier generations of leaders have blazed in seeking to preserve the US position as the preponderant power, they will have to build on the advantages described above to bolster and extend US predominance.

One measure of the relative standing of nations is to consider the question: “Whose problems would you rather have?” After the survey above, a reasonable person might conclude that, as great as the challenges are for the United States, the other potential powers face even more difficult and intractable problems.

Notwithstanding the prediction of Global Trends 2025 that the world is moving toward multipolarity, it seems likely that US predominance could continue in a unipolar system, albeit one where US hegemony is less clear than it was in the 1990s. In this iteration, however, American primacy will be more constrained by US domestic and international economic limitations and more contested by regional powers. China will pose the biggest challenge in Asia, but potential new nuclear powers like Iran and North Korea will also create difficult questions about US extended deterrence in Northeast Asia and Southwest Asia. Other troublesome challengers may arise, including Venezuela in the Western Hemisphere (particularly if it aligns with a nuclear-armed Iran).

The overwhelming focus on the BRICs in the declinist literature has tended to divert attention from the fact that the proliferation of nuclear weapons has the greatest potential to pose an early challenge to continued US primacy. As Charles Krauthammer has written, “decline is a choice,” and can be avoided if the United States government takes some basic steps. The first is to get America's house in order. Second, the United States will need to meet the reputational challenges it faces head on. The United States must be prepared to continue to defend the commons. Perhaps most important, the decline in the margin of US dominance and the emergence of challengers at the regional level will make US alliances and alliance management central concerns for US policymakers in a way that they have not been since the end of the Cold War.

Beyond improvements in the management of our traditional treaty-based and informal alliances, the United States needs to look seriously at the shape of its alliance portfolio with an eye to developing relationships with countries that might contribute greater capability and utility than the traditional allies. We have seen that India is perhaps the single most important candidate for partnership or alliance with the United States. In the Western Hemisphere, Brazil may also be able to play a valuable regional stabilizing role in collaboration with the United States. The possibility of avoiding multipolarity or non-polarity clearly exists. It requires
resolve to maintain the United States’ role as the “indispensable nation” and a strategy for doing so. At the dawn of the first unipolar era there was an effort at the Pentagon to think explicitly about a strategy for extending US predominance in the international system. Although the document that resulted, the 1992 Defense Planning Guidance, became the subject of much misplaced criticism and controversy, its main outline became the de facto bipartisan strategy that underpinned the unipolar “moment” that, against most expectations, stretched into an era. If the United States is going to successfully manage the challenges of contested primacy, the moment to begin the debate on the strategy that will carry US power forward in the twenty-first century is now.
INTRODUCTION

THE END OF THE UNIPOLAR MOMENT AND THE ADVENT OF A “GLOBAL MULTIPOLAR WORLD?”

At the end of the Cold War, the United States found itself in an entirely novel position: the main peer competitor of the United States—the Soviet Union—had ceased to exist. The international system, with the disappearance of the familiar bipolar strategic competition, also entered a period that was unique in modern history. The utility of containment and the grand strategic synthesis that had emerged during the Cold War appeared to have come to an end. Although the initial conception of containment had envisaged continuation of the policy until Soviet power had “mellowed,” little thought was given to what would follow strategic success. The United States, as a result, concluded the Cold War, by circumstance rather than explicit ambition or design, with an enormous advantage over other states. In effect, the United States had achieved what the late Samuel Huntington termed “primacy” or what Charles Krauthammer called “a unipolar moment.” How long the moment would last was a subject of dispute. Scholars of international relations from the Realist school like Kenneth Waltz, Christopher Layne, John Mearsheimer and others argued that the structure of international relations and the instinctive tendency of states to balance against the overwhelming power of the United States would lead to a relatively short period of US dominance. In the end those predictions failed to materialize and the United States retained, for the next decade and a half, a position of overwhelming primacy, flexibility and strategic advantage in the international arena.

After September 11, 2001 the unipolar system entered a new phase in which American primacy became more apparent to all concerned. In response to the terrorist attacks on New York and Washington, the United States toppled the Taliban regime in Afghanistan and invaded Iraq. This very visible demonstration of US military power occasioned some disquiet but no move among other
powers to balance against a US “threat.” As Charles Krauthammer observed, the United States’ actions heightened the existing asymmetry of power by demonstrating the United States’ incredible “latent military power”; the resiliency of the US economy, which was in recession when the terrorists struck symbols of both US economic and military power; and the failure of any explicit military counter-coalition forming against US dominance. Indeed, the National Intelligence Council’s (NIC’s) *Mapping the Global Future 2020* report, released in 2004, just one year after the war in Iraq began, appeared to project a world in which unipolarity would remain the defining condition as far as the eye could see.3

The 2004 NIC report cited great flux in the international system, rising new powers in Asia and the reassertion of Russia’s position in Eurasia. Despite all the turmoil of globalization and rising new powers, the report concluded that “the likelihood of great power conflict escalating into total war in the next 15 years is lower than at any time in the past century, unlike during previous centuries when local conflicts sparked world wars,” and suggested that the role of the United States would be critical in shaping the global order in 2020. “Although the challenges ahead will be daunting the United States will retain enormous advantages, playing a pivotal role across the broad range of issues—economic, technological, political and military—that no other state can match by 2020.” Continuing American primacy in the global order meant that the “United States will have many opportunities to extend its advantages, particularly in shaping a new international order that integrates disparate regions and reconciles divergent interests.”4

The 2004 report specifically addressed the question of US “unipolarity” which was the description of the international system at the end of the Cold War offered by Krauthammer in his widely-read *Foreign Affairs* essay. Krauthammer contested the conclusions of the academic world’s so-called “realists” who had asserted that the demise of the Soviet Empire (and ultimately the Soviet Union itself) would result in the emergence of a multipolar world with power dispersed to Europe, Japan, China and a reduced Soviet Union/Russia. To the contrary, Krauthammer wrote, “now is the unipolar moment.” Drawing on this line of argument, *Mapping the Global Future* noted that “a world with a single superpower is unique in modern times. Despite the rise in anti-Americanism, most major powers today believe countermeasures such as balancing are not likely to work in a situation in which the U.S. controls so many of the levers of power. Moreover, U.S. policies are not perceived as sufficiently threatening to warrant such a step.”

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The implication was clear that unipolarity, as a condition of the international system, was likely to last at least until 2020.⁵

Only four years later, in November 2008, the National Intelligence Council released Global Trends 2025 which drew startlingly different conclusions from Mapping the Global Future. Released in the midst of the sharpest economic downturn since the Great Depression and after more than five exhausting years of counterinsurgency warfare in Iraq and Afghanistan, Global Trends 2025 represented a stark departure from the previous report.

The report argued that “the international system — as constructed following the Second World War — will be almost unrecognizable by 2025 owing to the rise of emerging powers, a globalizing economy, a historic transfer of relative wealth and economic power from West to East, and the growing influence of non-state actors. By 2025 the international system will be a global multipolar one with gaps in national power continuing to narrow between developed and developing countries” [emphasis in original]. The prediction of a multipolar world in Global Trends came with a number of caveats. The report, for instance, noted that “although the United States is likely to remain the single most powerful actor, the United States’ relative strength—even in the military realm—will decline and U.S. leverage will become more constrained.” The report tended to blur the distinction between American primacy and the emergence of multipolarity, noting simply that the United States would be a “less dominant power.”⁶

Multipolarity would suggest that other powers, either alone or in combination, would have enough power in the international system to balance the United States and that other countries might rally together in some time type of explicit, anti-American coalition. That is not what Global Trends 2025 seems to suggest is likely to characterize the international system. Rather, the account in the report suggests that with a relatively diminished, and therefore less dominant position, the United States will face more challenges to its leadership in some parts of the world, but not from peer competitors at the global level who would be prepared to challenge American primacy across the board. In that sense what is described is more consistent with what some have called an apolar or non-polar world.⁷

In a subsequent update, two of Global Trends 2025’s drafters provided a revised assessment of the impact of the continuing financial crisis on the report’s

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⁵ Mapping the Global Future: Report of the National Intelligence Council’s 2020 Project, p.63; Charles Krauthammer, “The Unipolar Moment,” Foreign Affairs, 70:1, pp. 23–33. It is worth noting that Krauthammer did discuss the threat of rogue states and their pursuit of weapons of mass destruction as a new challenge that ranged beyond traditional notions of balance of power.


conclusions. They noted that the “crisis has underscored the importance of globalization as the overriding force or ‘mega-driver’ as it was characterized in both the NIC’s 2020 and 2025 Global Trends works” and indeed the “financial crisis appears to have accelerated the trend toward a multipolar world.” The update also noted that the increased role of the state in national economies (a trend noted in the NIC report) had increased under the pressures of the global recession and suggested this shift might be more “permanent than not.”

What in the international distribution of power had changed so dramatically between the two NIC reports? The simple answer is that the Zeitgeist had shifted in the intervening years. Certainly America’s difficulties in its post-9/11 military operations and a resulting decline in public support for those efforts played a role. As the initially successful US military operations in Afghanistan and Iraq in 2001 and 2003 gave way to persistent, complex insurgencies that were difficult and expensive to counter, scholars began to raise questions about the sustainability of US leadership and politico-military commitments in the world. Critics argued that the United States was beginning to learn the “limits of power” or facing the “taming of American power” as global players reacted to US primacy and the expectation that we were all entering a “post-American world.”

A second factor was the seemingly inexorable rise of the big emerging markets identified by Goldman Sachs analysts and labeled with an almost irresistible acronym: the BRICs (pronounced “bricks:” Brazil, Russia, India and China). These countries, identified as rising or resurgent powers by the NIC report in 2004 were now seen as part of a quasi-bloc of nations whose economic strength and standing were steadily increasing at the expense of the leading role of the United States. The BRICs also seemed to be on a trajectory that would lead to an even greater percentage of global economic production and power in the future, while the US share would shrink.

These factors led several observers to conclude that the unipolar period of alleged “American triumphalism” was coming to a close. As George Soros suggested in 2003, the belief in American primacy was like the late 1990s faith in technology stocks, and the “bubble of American supremacy” had now burst. Journalist Paul Starobin contended that “reality has intruded. America is now having its rendezvous with history: American civilization has reached the end of its long ascendancy in the world.” The world was moving on to the “next global age” that would take place “after America.”

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In what was perhaps the most influential argument of this kind Fareed Zakaria argued that globalization is driving a diffusion of power around the globe, economics is trumping politics and US primacy had peaked with the 2003 invasion of Iraq. In his view, “the unipolar order of the last two decades is waning not because of Iraq but because of the broader diffusion of power across the world.” Like the conclusions of Global Trends 2025, Zakaria’s view was more nuanced than public discussion of his book would indicate. He concluded that the “United States does not have the hand it had in 1945 or even in 2000. Still, it does have a stronger hand than anyone else — the most complete portfolio of economic, political, military and cultural power — and it will not be replaced in the foreseeable future.” Singaporean diplomat Kishore Mahbubani argued even more strongly that the transfer of wealth to East Asia was inevitable and that the greatest threat to global stability in the future would be the West’s refusal to accept the end of Western domination and Asia’s rise. It would seem that the idea of a sharp US decline and a possible loss of its position as the leading or “hegemonic” power in the international system has become pervasive in a relatively short period of time.10

The issuance of Global Trends 2025 coincided with both this line of commentary and a recrudescence of the “imperial overstretch argument” first offered by Paul Kennedy twenty years earlier. Kennedy had argued that excessive defense spending (between 5 and 10 per cent of GDP) to maintain far-flung global commitments would weaken the fiscal position of the state, slow economic growth and lead to American decline. The re-emergence of Kennedy’s theory of decline, the global economic crisis and the NIC report appeared to signal the crystallization of a new conventional wisdom perhaps best captured by diplomatic historian William Stueck who wrote that “whatever the flaws in Kennedy’s methodology, the trends in the 22 years since publication of his book do appear to confirm his central argument, and such widely respected works as ‘Global Trends 2025’...and Fareed

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Zakaria’s *The Rise of the Rest* (sic) suggest that a growing portion of government elites and public intellectuals in the United States accept that conclusion.\textsuperscript{11}

The polarization of debate about US policy during the George W. Bush Administration, among the US commentariat, overseas opinion leaders and public officials, was an added complicating factor in the discussion. Hostility to an allegedly overweening United States has led some observers to view American decline in a positive light, seeing it as a development that will lead to a more normal balance of power and a more cooperative international environment with greater opportunity for collaborative and multilateral approaches to solving international problems. In this same vein, unipolarity is frequently seen as synonymous with unilateralism. Pursuit of unilateral policies by the United States allegedly imposes costs on the United States and, in addition, is inimical to greater reliance on international institutions and global governance to address transnational issues like climate change, pandemic disease and poverty alleviation. On the other hand, some researchers have seen the prospect of American decline as an undesirable development both because of the potential loss of benefits that flow to the United States (as the guarantor of the international economic system) but also to world order (given the United States’ role in providing global public goods in the security realm).\textsuperscript{12}

What would a transition from unipolarity to multipolarity mean? How would America manage the end of its primacy? When Britain began to decline and the United States began to rise in the late nineteenth and early twentieth centuries, the transition was just barely manageable. Indeed, as late as 1895–96, the two countries almost went to war over conflicting claims in Venezuela and American fears that the Monroe Doctrine and the benefits of American hegemony in the Western Hemisphere were at stake. An act of statesmanship by Lord Salisbury, the British Prime and Foreign Minister, helped resolve or de-escalate the crisis,\textsuperscript{11}


but it is instructive that he did not do so out of an idealistic desire to avoid conflict between fraternal English-speaking peoples.13

Today there is no equivalent to the Anglo-American relationship of a hundred years ago. Nor is there an obvious successor to whom the United States can pass the mantle of leadership or responsibility for serving as the guarantor of stability. Observers have noted that a more apposite comparison may be the rise of Prussia and the inability of the international system to accommodate the addition of another great power. The end of the first era of globalization was brought about by precisely the breakdown of the system over the “German Question.” The analogy to the rise of China is very explicit. In addition, many scholars believe a multipolar world would be more unstable.14 John Mearsheimer argues, for example, that war is more likely in a multipolar than a bipolar system because there are more “potential conflict dyads,” power is less well balanced and the potential for miscalculation among states is higher.15

Harvard historian Niall Ferguson has raised an altogether different possibility; that is, an apolar world or, as he calls it a “world without power.” He suggests that an international system without a global or even regional hegemon is not without precedent, although the precedent is not an entirely happy one: the Dark Ages. But as Ferguson points out, the Dark Ages experience of “religious revivals,” “incipient anarchy,” “waning empires,” and “retreat into fortified cities” will be immensely complicated by two factors: the world is much more populous and technology has created the ability not just to “sack a city but to obliterate it.” Ferguson concludes: “be careful what you wish for. The alternative to unipolarity would not be multipolarity at all. It would be apolarity—a global vacuum of power. And far more dangerous forces than rival great powers would benefit from such a not-so-new world disorder.”16

How would the international system operate differently under multipolarity? The Global Trends 2025 offers only the most general of suggestions. It notes that

“by 2025 the United States will find itself in the position of being one of a number of important actors on the world stage, albeit still the most powerful one. The relative political and economic clout of many countries will shift by 2025 according to an international futures model measuring GDP, defense spending, population, and technology for individual states.” The shifts predicted by that model, however, seem to be shifts at the margin rather than fundamental shifts. The NIC report suggests continued demand for US leadership but declining US economic and military clout. It offers a range of scenarios, most of which involve some level of fragmentation, breakdown or miscalculation leading to conflict. The spread of nuclear weapons are a wild card that could redirect people’s attention to the need for US leadership. In fact, much of the report’s content appears to be consistent with either continued but more constrained unipolarity or the non-polar world that Ferguson described and which Council on Foreign Relations President Richard Haass believes is now upon us.17

The recent UN-sponsored Climate Change Conference may have already begun to focus people’s attention on what a declining US role in the world might mean. There has long been an inherent tension between the United States’ role as the hegemon in a unipolar system and its support for international institutions, particularly the United Nations. Climate change is one issue that has been frequently used to criticize US-oriented unipolarity because it clearly requires an international consensus in order to address a truly global problem. The failure of the Copenhagen Summit to reach a binding, verifiable agreement to reduce greenhouse gases has revealed what one version of multipolarity might look like and the results were not pretty. As one observer noted, “Copenhagen was multipolarity as chaos.” As Australian commentator Greg Sheridan recently noted, “There seems to be a whole class of US international relations commentators … eagerly predicting, if not outright yearning for, US decline. Copenhagen is a benign version of what they get if their dreams come true.” He goes on to note that “in international security, the global system is not the multilateral system centered on the UN. That is a byword for windy ineffectiveness, à la Copenhagen. The only international security system that works is the U.S. alliance system.”18


WHY DOES PRIMACY MATTER?

The revived notion of America’s decline has once again brought to the fore a question about the purposes of United States power and the value of US international primacy posed by Robert Jervis at the end of the Cold War, namely is “the game worth the candle?” Seeking to maintain America’s advantage as the prime player in the international system imposes costs on the United States’ budget and taxpayer. It is certainly fair to ask what the United States gets from exerting the effort to remain number one. It is also worth considering what the world would look like if the United States was just one power among many, and how such perceptions might affect the strategic and policy choices national security decision-makers will face over the next twenty-odd years. This is important because beliefs about the distribution of power in the international system have a powerful, demonstrable impact on the kinds of policy choices decision-makers are likely to consider. If, for instance, the United States is not seen as the leading power in the international system, policymakers are likely to refrain from quickly asserting an American position on important foreign policy issues, preferring to wait for others to take the lead. Certain policy options that would require United States leadership might be ruled out of consideration ab initio as too demanding for a power in decline. Policy makers will make these judgments, inevitably, on the basis of their perceptions of both relative and absolute changes in the share of power a country possesses as well as considerations of both the potential advantages for pursuing competitive or cooperative policies in the international arena.

The discussion of absolute or relative gains in power is a theme of the literature on primacy, unipolarity and decline. As Huntington has argued, when it comes to power absolute gains are irrelevant since “an actor gains or loses power compared to other people.” The very notion of primacy, he points out, is to measure whether a country has more power than other states in the international system, “hence primacy is inherently relative.” Jervis, in his critique of the continued pursuit of primacy, also agrees that the issue is relative rather than absolute gains in power by actors in the international system. “A state,” he argues “may then reasonably reject an arrangement that increases its territory and resources if others gain even more than it does. To the extent that economic advantage produces military strength or can be used to produce further gains, the same logic applies in this realm as well.” The assertions by a variety of analysts, including the authors of

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Global Trends 2025, that the rise of new powers (particularly measured on the basis of growing economic power) will automatically lead to the decline of the United States needs to be assessed by the standard of relative, not absolute gains.\(^{20}\)

What is primacy in any event? Jervis defines it as “being more powerful than any other state according to the usual and crude measures of power (e.g., gross national product; size of the armed forces; lack of economic, political, and geographic vulnerabilities). This in turn implies that the state has greater ability than any rival to influence a broad range of issues and a large number of states.” It also, in his view, allows the prime state to set the “rules of the game” by which international politics is played, the intellectual frameworks employed by many states, and the standards by which behavior is judged to be legitimate.” Samuel Huntington agreed that primacy meant a state has more power than others and that it allowed the state possessing that attribute to not only shape the international environment in a way that protected its interests and security, but also allowed it to “promote its values among other peoples and to shape the international environment so as to reflect its values.” For Huntington this raised the question of a state using its primacy for evil purposes but he notes that power is also the “prerequisite to doing good and promoting collective goods.”\(^{21}\)

Primacy both allows the state to advance its own specific policy objectives and gives it greater freedom of action in the pursuit of those ends. Maintaining that primacy, as Huntington stresses, is not necessary to pursue the state’s interests via victory in war but to do so without recourse to war. “Primacy thus is an alternative to war.” But it is also an important element of maintaining global order for reasons that will be described in greater detail later in this paper. Throughout most of the twentieth century American presidents have considered it to be in the US interest to seek a “liberal world order” comprised of an international economic system characterized by openness, free trade and free flows of investment, and an international political arrangement characterized by a growing number of liberal democratic states. The theory behind the continued adherence to a strategy of maintaining primacy has been that only the security provided by a strong power or group of powers can underpin the liberal economic and political order that is conducive to economic growth, representative government and international peace and prosperity. Since the end of the Cold War this view has had consistent bipartisan support.\(^{22}\)

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\(^{22}\) Huntington, “Why International Primacy Matters.”; The origins of this approach were first systematized by President Woodrow Wilson, see N. Gordon Levin, Jr., *Woodrow Wilson and World Politics: America’s Response to War and Revolution* (New York: Oxford University Press, 1968), pp. 1–10; for a recent recapitulation see Mackubin T. Owens, “Editor’s Corner,” *Orbis*, 54:1, pp. 1–3.
The United States has clearly benefited from a system in which it plays a hegemonic stabilizing or unipolar role. The United States has remained the initiator and guarantor of the global trading system and its security alliances have underpinned the spread of economic globalization. As the largest economy in the increasingly open, international economy the United States has disproportionately benefitted. As the holder of the international reserve currency, the dollar, the United States has been able to gain significant economic (and political) benefits. These include seignorage (the difference between the cost of printing money and its face value), the ability to run a large balance-of-payments deficit, and a more advantageous position for the financial services industry. There are costs to be sure, but the emergence of the flexible exchange rate regime over the past thirty years has mitigated many of those. Dollar supremacy is under increasing attack, but is unlikely to disappear soon.

Huntington has pointed out that US primacy at the end of the Cold War was important for two other reasons. The first was that no other power in the international system could “make comparable contributions to international order and stability.” The second was that the perceived failure of the Soviet model left the United States “as the only major power whose national identity is defined by a set of universal political and economic values.” Because these values were not central to the national identity of other powers they did not have the same drive as the United States to promote them in international affairs. This willingness to provide certain global public goods that increased the chances of international cooperation was also acknowledged by Robert Jervis, who was otherwise skeptical about the effort to maintain US primacy. It also facilitated acceptance of US primacy and the unipolar system by other countries. Those observations remain valid today.

Although the point remains controversial it seems apparent that America, while clearly creating some resentments with its policies, continues to be seen (particularly by governments) as relatively benign in its interactions with other powers. America shares a fundamental view of the world rooted in the neoliberal orthodoxy of free markets, open societies, and democratic institutions that emerged as a consensus prescription for peace and prosperity after the collapse of

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communism. This “transnational liberalism” inclines national elites to see a broad confluence of interest with the United States and reduces their tendency to try and counterbalance American power. As the guarantor of the international world economy and a provider of security and stability because of its alliance system, the United States provides global public goods which others cannot provide. In that sense the question that Stanley Hoffman posed some years ago of whether the United States should pursue primacy or world order seems to be a false dichotomy. As Michael Mandelbaum has persuasively argued, to the degree that there is world order, it exists because American primacy, combined with the triumph of neo-liberal ideas, has allowed the United States to provide governmental functions to the rest of the world, chief among them being the maintenance of the global commons — air, sea, and space.  

All of this was consistent with the elaboration of hegemonic stability theory, developed by political economists in the 1970s and 1980s, suggesting that “the presence of a single, strongly dominant actor in international politics leads to collectively desirable outcomes for all states in the international system. Conversely, the absence of a hegemon is associated with disorder in the world system and undesirable outcomes for individual states.” The theory, most closely associated with Charles Kindleberger’s analysis of the Great Depression and Robert Gilpin’s study of power transitions in world politics, has had an enormous impact on thinking about unipolarity. The notion that the United States has played the hegemonic role passed to it by Britain’s abdication as a global power and has become

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the maintainer of the open, global economic system (and by extension the driving force behind globalization) is deeply embedded in most discussion of this topic.27

More recent discussion about the waning of American primacy calls for careful scrutiny. The rise of new economic powers is very real and it seems clear that the US share of global economic product will decline over time (although how much and how fast are issues in dispute). The economic advance of others also comes on the heels of the reputational damage sustained by the United States in Iraq and Afghanistan. These events created doubts in some quarters, including the United States, about the willingness of the American public and governing elite to sustain its position as the world’s leading power. As a result the United States’ power position is likely to be more contested in the future.

Christopher Layne, a scholar who has argued for more than a decade and a half that unipolarity was unsustainable and would generate the rise of new powers, captured the vital strategic question well in a 2006 essay. “The key grand strategic issue confronting U.S. policymakers today,” he wrote,

is whether the United States can escape the same fate that has befallen the other great powers that have contended for hegemony since the origin of the modern international state system (circa 1500). Since the early 1990s U.S. policymakers have embraced primacy and adopted an ambitious grand strategy of expanding the United States’ preponderant power—notwithstanding the seemingly ironclad rule of modern international history that hegemons always provoke, and are defeated by, the counterhegemonic balancing of other great powers.

In a recent review essay Layne acknowledged that two factors, unipolarity and globalization, have defined the period of international history since the end of the Cold War. Layne conceded that, despite his predictions and those of other realists to the contrary, “it is beyond dispute... that the United States still enjoys a commanding preponderance of power over its nearest rivals” but recurring to his traditional themes he argued that “empirically... there are indications that the unipolar era is drawing to a close, and that the coming decades could witness a power transition.” He put special emphasis on the potential loss of the dollar as the international reserve currency due to fiscal constraints generated by deficit

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financing. If this is the case, he argued, “the United States may be compelled to retract its overseas military commitments.”

This is not merely an academic debate. As the exchange between Huntington and Jervis made clear some fifteen years ago, whether one believes in continued US primacy makes a difference when it comes to making choices about national strategy and policy. Those who believe that US primacy serves the national and global interest are more likely to believe that America’s leadership position demands a high level of ambition with regard to global security problems. In order to exercise that leadership they are likely to see the need for sustaining relatively higher levels of spending on national defense and the development of military capabilities that allow the United States to maintain the key elements of its strategic advantage that have underpinned its primacy for many years: global reach, forward presence and strong alliance relationships in Europe, Asia and the Middle East. For those who think the “game is not worth the candle” a lower level of ambition and a higher tolerance for disorder in some areas is likely to be the order of the day. Partisans of abandoning primacy and acknowledging “the limits of power” are likely to favor policies of selective engagement around the world and are prepared to see dramatically lower levels of national commitment to maintaining a broad array of military capabilities.

The preceding review suggests that accepting the new conventional wisdom of decline and an end of US primacy could well lead to an alteration of the strategic underpinnings of American global policy and could become a self-fulfilling prophecy. The Cold War consensus that emerged after World War II and the guiding strategic ideas of the post-Cold War period were rooted in maintaining a preponderance of American power and extending the advantages conferred on the United States as a result of its role as the guarantor of the international economy, the security of the West and the safety of the global commons. Acceptance of the argument that the United States is in decline could contribute to the adoption of policies that might actually hasten US decline when there may well be steps that could extend United States primacy for some time to come.

According to Huntington, “A world without U.S. primacy will be a world with more violence and disorder and less democracy and economic growth than a world where the United States continues to have more influence than any other country in shaping global affairs. The sustained international primacy of the United States is central to the welfare and security of Americans and to the future of freedom, democracy, open economies, and international order in the world.”

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This assessment still appears to reflect some underlying truths about the advantages of a unipolar international order. Before the United States abandons the legacy of “preponderant power,” and adopts the strategic minimalism that some prescribe, it is worthwhile to scrutinize carefully the arguments being marshaled to support the notion of America’s inevitable decline.\textsuperscript{29}

A rigorous assessment should consider the strengths and weaknesses of the United States’ putative competitors on the global scene as well as the enduring strengths and sources of resilience that have enabled America to extend its primacy and maintain a stabilizing, global hegemonic role against all expectations. There is a need for a framework to inform how US policymakers might think about the problem of developing strategies and policies to extend that role yet again, since it is at least an arguable proposition that rather than a multipolar world, the global system, after the current Great Recession passes, will continue to be unipolar but with some additional challenges for US leadership.

Arguments for US national decline are not new. They have been made repeatedly in the past, and before they are accepted as the prevailing conventional wisdom it would be worthwhile to review the history of “declinism” and to submit some of the arguments that undergird the declinist persuasion to a searching re-examination. This paper, in the remaining pages, will consider the declinist arguments and will raise several questions. Will the undeniable relative decline of the United States, in fact, lead to the end of unipolarity? Do the BRIC countries really represent a bloc? What would multipolarity look like? How does one measure national power anyhow, and how can one measure the change in the power distribution globally? Is the rise of global competitors inevitable? What are some of the weaknesses that might hamper the would-be competitors from staying on their current favorable economic and political trajectory? Does the United States possess some underappreciated strengths that might serve as the basis for continued primacy in the international system and, if so, what steps would a prudent government take to extend that primacy into the future?

The history of straight-line projections of economic growth and the rise of challengers to the dominance of the United States has not been kind to those who have previously predicted US decline. It is not necessarily the case that the United States will be caught between the end of the “unipolar moment” of post-Cold War predominance and a global multipolar world. The emerging international environment is likely to be different than either of the futures forecast by the NIC in \textit{Mapping the Global Future} in 2004 or \textit{Global Trends 2025} in 2008. It would seem more likely that the relative decline of American power will still leave the United States as the most powerful actor in the international system. But the economic rise of other nations and the spread of nuclear weapons in some key regions are likely to confront the United States with difficult new challenges.

\textsuperscript{29} Huntington, “Why International Primacy Matters,” p. 83.
ROAD MAP, CHAPTER BY CHAPTER

In Chapter 1 we will examine the declinist “persuasion”: the habits of thought that incline some observers to see the United States’ position in the world as waning. These arguments have been made with an observable periodicity and we will consider the latest variant on this hardy, perennial theme of some analysts. Different observers, we will see, approach the problem of American decline from differing perspectives.

We will also discuss how the issues of US primacy and the unipolar world order were debated, and largely resolved, when the Cold War ended and the United States found itself as the sole remaining superpower. Three successive American presidential administrations have conducted their policies on the basis of primacy. The current administration appears to be at a crucial point in a debate about the continued relevance of American primacy and the way to deal with America’s relative decline.

This chapter will conclude with a quick review of when the nation has seen previous outbursts of declinism, the previous failure of those predictions to be borne out, and the rise of a contrarian group of analysts who have argued vigorously against the notion of America’s decline.

Chapter 2 will begin with a discussion of how observers have thought about measuring national power, the methodologies they have developed, including the methods upon which the Global Trends 2025 report has drawn, and consider some ways to think about the factors that might lead to discontinuities in the rise or fall of nations as currently foreseen. The chapter considers, case by case, the countries and regions that have been most frequently identified as contenders for great power status in an emerging multipolar global order. It concludes with an overview of the difficulties most of these players will face in projecting increased strength across all the elements of national power.

Chapter 3 will examine the United States and some national strengths that may have been underappreciated in several declinist assessments. These strengths might provide advantages for the United States in comparison to other would-be competitors and serve as a basis for preserving America’s leading position in some areas of national power.

Finally, in the Conclusion, we will consider the steps that it might be prudent to pursue in order to extend America’s period of primacy in the international system during a period where its standing will be contested. America’s relative decline could result, if unchecked, in the eventual emergence of a multipolar world, but another alternative might be American renewal, coupled with a failure by others to rise as expected. This might yield, rather than a multipolar global order, a second unipolar moment.
SURVEY OF CURRENT DECLINIST ARGUMENTS

The 2008 NIC report reflected a wave of “declinism”—the belief that American power is on the wane, that other powers are rising, particularly the so-called BRICs (Brazil, Russia, India and China) and that the United States needs to adjust its international ambitions and eschew continued primacy in favor of accommodating the rising powers in the interest of greater global governance.

The backdrop to the report is an ongoing public debate focused on sound bite phrases and eye-grabbing titles rather than painstaking analysis. In the wake of Fareed Zakaria’s book, the NIC report, and most importantly the Great Recession of 2008, Paul Kennedy entered the debate once again. In 2009 he identified the United States as the “biggest loser” in the global recession. “When the dust settles on this alarming and perhaps protracted global economic crisis, we should not expect national shares of world production to be the same as in, say 2005. Uncle Sam may have to come down a peg or two.” Shortly thereafter former Treasury Deputy Secretary Roger Altman noted that the recession “is a major geopolitical setback for the United States and Europe” and “will accelerate trends that are shifting the world’s center of gravity away from the United States.”

Similarly, Robert Pape, writing with fewer caveats than either the NIC or Zakaria, picked up Kennedy’s declinist argument and declared that the “unipolar world is indeed coming to an end” since American military power is underpinned by economic strength and the United States is a waning economic power. This portends a period of great potential instability since periods of power transition in the international system are historically unstable. Additionally, the “gap”

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between America’s declining productive capacity and its international commitments will make it a tempting target for opportunistic states seeking to profit from US “overstretch.” The “harsh reality,” he argued, “is that the United States no longer has the economic capacity” to sustain the kind of ambitious grand strategy it maintained after the end of the Cold War. The only option is to reduce American commitments to a more limited set of objectives in concert with Russia, China and others.31

The dire economic circumstances that marked the time these essays were published gave the meditations on the economic basis of American decline strong surface plausibility. Therein, however, lies a danger. Beliefs about the nature of the international system and its workings can have a powerful impact on how policymakers view the choices before them and the appropriate strategies to deal with those choices. Soviet leaders, for instance, viewed international relations through an ideological prism that shifted with the elaboration of the “new political thinking” that was the hallmark of the period of perestroika. Ideas about American decline can cut two ways. They can predispose policymakers to pursue policies that actually accelerate decline or they can spark leaders to pursue courses of action that renew American economic vitality in order to reverse decline.

Declinism, viewed in that light, is less an ideology than a predisposition to view international developments in a certain light; it is what historian Marvin Meyers described years ago as a “persuasion.” A persuasion, he noted, is a less formal term to describe a “matched set of attitudes, beliefs, projected actions: a half-formulated moral perspective involving emotional commitment.”32

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Understanding that declinism is a persuasion can help one assess the arguments that are adduced to support the proposition that the United States is in decline. One difficulty in making such an assessment of the declinist (and for that matter the anti-declinist) literature is that some of the authors are engaged in a descriptive exercise, attempting to outline the circumstances of the current and future distribution of power in the international system. Others are making normative judgments about whether a global system with a sole superpower is desirable. In many accounts both issues are being addressed simultaneously.

Not all of those who subscribe to the declinist persuasion do so for the same reasons. There appear to be several identifiable schools of thought about American decline, although the lines of division among the schools are not necessarily neat and tidy. Some analysts and commentators share different arguments despite an

overall orientation to the case for American decline. Some may share a view that US decline and an end to unipolarity are desirable, but have different reasons for coming to that conclusion. For the sake of simplicity they can be broken down into the groupings outlined below.

The first group is largely made up of those who stress the materialist basis of the distribution of power in the international system. They are the economic declinists. Robert Pape, Jim O’Neill, (the Goldman Sachs analyst who coined the BRICs), and Paul Kennedy fall into this school. They largely see the shifting pattern of global production and wealth creation inexorably leading to an increasing share of economic power for the emerging market economies. Since the ability to create useful coercive power, including military power, is based on economic strength the result seems clear: as America’s share of power declines in both absolute and relative terms it will, in their view, become a power on par with many others.

A second group is made up of what could be called the structural realists. Structural declinism tends to be the position of the so-called realists or neo-realists among academic political scientists and students of international relations. This group would include, most prominently, Kenneth Waltz, Stephen Walt, John Mearsheimer, and Christopher Layne. The neo-realists of the 1990s believed unipolarity was an aberration and predicted that it would not last. According to their theory, the structure of international politics abhorred the absence of balance in the system, and consequently other powers would attempt to counter US power. A unipolar system, they further assumed, was unstable since the scramble among rising powers, all seeking to challenge the hegemon, could provoke the kind of miscalculations that led to World War I. The academic debate over whether the undoubted dominance of the United States in the international system could be more than a transient phenomenon lasted well into the 1990s. Although not unaware of the changing economic relationships in the international system, this group placed more emphasis on the structure of international politics. In the case of Walt there is also clearly a normative element to his analysis of the need to “tame” American power.

Another declinist group consists of overexpansionists of various stripes. These observers tend to see the United States’ global role as leading to the imposition of self-inflicted wounds on American society. Leftist anti-imperialists decry America’s imperial role as the sole superpower and see it as the inevitable result of the workings of monopoly capitalism. These views are most closely associated with the late Paul Sweezy, Harry Magdoff and the neo-Marxist journal Monthly Review as well as with MIT’s Noam Chomsky. Conservative and libertarian neo-isolationists share an aversion to American overextension but fear its impact on America’s economy and politics. While Chomsky may welcome US decline and fervently hope that it will lead to the collapse of capitalism, the paleo-conservatives at The American Conservative magazine and the libertarians at the CATO Institute, drawing on a tradition that goes back at least to Senator

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Robert Taft and Senator William Borah before him, fear precisely that outcome. In their view unless the United States lays down the global burdens of empire it will forever preclude the success of the limited-government conservatism they support. This group includes Pat Buchanan, Kevin Phillips, Andrew Bacevich and Ted Galen Carpenter. A liberal variant sees a lowering of the US level of ambition on the world scene and shedding the burdens of “empire” as a way not of protecting small government, but de-funding national defense and freeing up funds for a progressive “reform” agenda. George McGovern’s plea “come home America” encapsulates that perspective, shared by many pundits and scholars.\(^{33}\)

Yet another group of declinists are those who tout a particular country or rising region of the world as likely successful challengers to US primacy. These country-regional enthusiasts frequently proclaim the arrival, triumph or impending hegemony of some putative competitor to the United States. At the end of the Cold War this most often was manifested in proclaiming the impending economic triumph of Japan or the Japanese model. More recently Charles Kupchan and David Calleo have seen the European Union as balancing US power. Mark Leonard has gone so far as to declare that Europe will run the twenty-first century, and Martin Jacques has declared that China will rule the world.

Finally, each outpouring of declinist literature has sparked a dialectical response by anti-declinists pointing out the limitations of possible challengers and the durable strengths of the United States. Samuel Huntington, Joseph Nye, Robert Lieber and others, at different times and in different contexts, have provided a useful corrective to the predominant declinist narrative which is frequently adopted without question or nuance by the nation’s print and electronic media. In some cases authors shift positions. Toward the end of his life Huntington became more open to declinism. James Fallows, on the other hand, who predicted Japan’s arrival in the 1990s has more recently questioned American decline.\(^{34}\)

**POST-COLD-WAR US GRAND STRATEGY DEBATE**

At the end of the Cold War the United States had a brief and not fully realized national debate about what an appropriate strategy for the post-Cold War period should be. The most important attempt to describe such a strategy was the 1992 Defense Planning Guidance directed by then-Secretary of Defense Dick Cheney. That document sought to outline a new national strategy against a backdrop of a prospective decline in the resources available for defense spending. It sought to

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preserve American primacy by discouraging the “renationalization” of collective defense and re-orienting the US defense posture away from a global competition and toward the regional challenges that were likely to plague the global order in the aftermath of the Cold War (as the Gulf War had just suggested). The document highlighted the importance of US alliances in Europe and Asia and called for extending the zone of democratic countries that had emerged in Central Europe as the Soviet Empire collapsed. Although the document became the subject of a press feeding frenzy when an early version was leaked to the New York Times, it became the basis for US national security strategy for almost two decades.35

The Clinton Administration, with some rhetorical differentiation from its predecessor, largely continued the effort to maintain US primacy. As Melvyn Leffler has noted, “in the first ‘bottom-up’ strategic review conducted by Clinton’s Pentagon, the thinking was remarkably similar to the final version of the Bush Administration’s Defense Policy Guidance.” Seeing the United States as the “indispensable nation,” the Clinton Administration continued to pursue a policy of maintaining a preponderance of power against “all potential competitors and challengers.”36

US leadership in a unipolar world was also the leitmotif of the George W. Bush Administration’s 2002 and 2006 National Security Strategy documents. The opening words of the 2002 document noted that “the United States possesses unprecedented — and unequaled — strength and influence in the world. Sustained by faith in the principles of liberty, and the value of a free society, this position comes with unparalleled responsibilities, obligations, and opportunity. The great strength of this nation must be used to promote a balance of power that favors freedom.” If anything the 2006 strategy document was even more ambitious, arguing that “The goal of our statecraft is to help create a world of democratic, well-governed states that can meet the needs of their citizens and conduct themselves responsibly in the international system. This is the best way to provide enduring security for the American people.”37

Most observers, including critics of US primacy, have tended to see continuity in US policy across the George H. W. Bush, Bill Clinton, and George W. Bush


 Administrations. Some have noted that the current administration also seems committed to US primacy. With three consecutive presidencies committed to a strategy of continued United States primacy it was not surprising that candidate Barack Obama issued a similar call for “renewing American leadership.” “Today,” he wrote in the summer of 2007, the United States is “again called to provide visionary leadership.” Candidate Obama suggested that “the American moment is not over, but it must be seized anew. To see American power in terminal decline is to ignore America’s great promise and historic purpose in the world.”

In office, however, there appears to be more of a debate within the administration about American decline and its implications for the country’s foreign and national security policies. Some have suggested that accommodation to decline is implicit in the Administration’s flirtation with a policy of “strategic reassurance” to China and broader accommodation to decline. As two observers recently noted, President Obama’s “foreign policy strategy is to reposition America for the post-American world. Understanding that the United States’ brief moment of global dominance has come and gone, he aims to ensure America gets its way by forging tactical alliances. He will work with China on the global economy, with Russia on nuclear disarmament, and with anyone else who can help serve the US’s interest.” It is too early to make a definitive judgment of how the present administration will address the issue of US primacy and if the above description is an accurate portrayal of the administration’s aims, but history would suggest that the argument for continued US leadership will prevail. The administration’s avoidance of any public description of its policies in these terms, the controversy associated with strategic reassurance to China, and the president’s noticeable avoidance of the term during his November 2009 trip to China are all consistent with that view.

The debate over primacy is not a partisan issue. Both Republicans and Democrats have been divided over the issue of whether and how to maintain America’s primacy in the international system. As the country contends with a

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rising China, the increased economic clout of the other so-called BRIC countries, and the prospect of a multipolar world these debates will undoubtedly continue. One factor that will shape the debate is the willingness of the American people to support the policy and pay the attendant costs of continued predominance. Some believe that the American public, exhausted by eight years of military exertion in Iraq and Afghanistan, and focused by the Great Recession on job creation and health care, may be willing to accommodate US policy to other rising powers and forego a policy of global primacy. There is no doubt that these factors have shaped the recent public perception of America’s role in the world. Poll data has long shown that, when asked for their view, Americans will express a preference for acting in concert with other nations in the international arena. There has also, however, been consistent public support for US leadership in global affairs and as Samuel Huntington suggested in the late 1980’s there may have been an electoral penalty for the perception that the Carter Administration was accommodating itself to American decline. American society, because of its heavy emphasis on individual achievement and its relatively free-wheeling market economy, is much more competitive than European social welfare states. Although that may change over time, for the moment it seems likely that when faced with choices about decline Americans are likely to opt for continued leadership. That certainly is the lesson of the post-Cold War period.\textsuperscript{40}

A SHORT HISTORY OF DECLINISM IN POST-WAR AMERICA

The recurrence of declinism in the past few years ought not to come as a surprise. It has been a recurrent feature in the cycles of US intellectual discourse regarding the state of the nation since its founding. The declension of the American settlement from a covenanted relationship with God was the source of many a Puritan minister’s jeremiad (which may explain some of the normative force in some later writings on the decline of the United States). Since the end of World War II, discussions of America’s supposed decline from a position of primacy have been a persistent part of the national discourse regarding America’s global role. When Yale historian Paul Kennedy’s book \textit{The Rise and Fall of the Great Powers} appeared in late 1987 it sparked a debate about whether the United States was, in

Samuel Huntington’s words, in the midst of “decline or renewal?” It is worth reviewing the main points of that debate because many of them are present in the current national discussion of American “decline.”

Huntington noted that the argument put forward by Kennedy and other declinists emerged against a backdrop of a burgeoning literature on political economy that focused on “fading American economic hegemony” and sought to delineate the potential consequences for the international system of that development. The immediate issues of persistent budget and trade deficits, combined with the October 1987 stock market crash combined to give theories of US decline plausibility.

The declinists, in Huntington’s summary, presented three related arguments: 1) the economic performance of the United States was in relative decline compared to other powers; 2) economics is the central element of national strength; and 3) the relative decline of the United States was largely caused by excessive military spending that resulted from wide-reaching US political commitments around the globe. This gave rise to Kennedy’s notion of “imperial overstretch” also sometimes referred to as the “Lippmann Gap” which resulted when a nation’s commitments and power were out of balance, as Walter Lippmann had suggested in his 1943 book on US foreign policy. The result of this state of affairs was that the United States might find itself on the same downward slope as previous imperial/hegemonic powers like Spain, France and, most recently Britain. 41

Huntington fastened on the key policy-relevant conclusion of Kennedy’s book. Because it recapitulates so much of our contemporary pre-occupations, Kennedy’s prescription is worth quoting at length:

The task facing American statesmen over the next decades, therefore, is to recognize that broad trends are under way, and that there is a need to ‘manage affairs’ so that the relative erosion of the United States’ position takes place slowly and smoothly, and is not accelerated by policies which bring merely short-term advantage but longer term disadvantage. This involves, from the President’s office downward, an appreciation that technological and therefore socioeconomic change is occurring in the world faster than ever before; that the international community is much more politically and culturally diverse than has been assumed, and is defiant of simplistic remedies offered either by Washington or Moscow to its problems; that the economic and productive power balances are no longer as favorably tilted in the United States’ direction as in 1945; and that, even in the military realm, there are signs of a certain redistribution of the balances, away from a bipolar to a more multipolar system, in which the conglomeration of American economic-cum-military strength is likely to remain larger than that possessed by any one of the others individually, but will not be as disproportionate as in the decades which immediately followed World War II. 42


Kennedy posited the emergence of a world with five power poles — the EEC (now EU), Japan, the USSR, China and the United States — precisely the same multipower constellation predicted by President Nixon and Henry Kissinger as they attempted to manage America’s exit from the difficult and unpopular Vietnam War. As Huntington archly noted “it remains to be seen whether... [Kennedy’s] prediction will be realized any more rapidly than President Nixon’s.”

In retrospect the emergence of this argument appears to have been spectacularly ill-timed, coming, as it did, on the eve of the collapse of the Soviet Union, the bipolar order that resulted from the superpower confrontation and the emergence of an unprecedented period of American dominance in the international system. To be fair, Kennedy had pointed out that one of the key elements in the fall of other empires and great powers had been their inability to adjust to changed circumstances. He cautioned that “the very unstructured, laissez-faire nature of American society (while not without its weaknesses) probably gives it a better chance of readjusting to changing circumstances than a rigid and dirigiste power would have” and the United States’ “considerable array of strengths” at least theoretically would allow for a successful policy of strategic readjustment. But as is all too often the case in the debate over “declinism” the fine distinctions were lost in the debate.

Huntington, in the debate over Kennedy’s book, made an important observation that should continue to inform the way that we think about the current discussion about American decline. He noted that the 1988 debate marked the fifth wave of declinism since the 1950s. He defined the waves as follows:

1. The post-Sputnik era in the late 1950s;
2. The end of the 1960s when Nixon and Kissinger (as noted above) declared the end of the bipolar system;
3. The first OPEC oil embargo in 1973 and the resultant spike in oil prices highlighting the issue of energy dependency; and
4. The late 1970s when the combination of US defeat in Vietnam and Soviet expansionism in the Third World combined to provoke feelings of “decline and malaise” and contributed to the electoral defeat of President Carter.

Huntington noted that various waves had been triggered by different combinations of external political and economic shocks as well as internally driven budget and trade deficits but that “familiar themes” could be discerned in each wave. In something of an overstatement he observed that “the declinist waves

often, not always, come at the end of American administrations. There is a certain *fin d’administration* air to them which leads one to suspect that people want to believe in decline at that moment. In this respect they may be better indications of American psychology than of American power.” Finally, Huntington noted that all the waves of declinism had led to predictions of “imminent shrinkage of American power.” In that regard he noted a phenomenon, first described by the French historian Marc Bloch: the paradox of prevision. When statesmen are faced by predictions of a particular result they can take steps to avoid undesirable outcomes and thereby change the reality that was previously foreseen. As Huntington described it, “in all its phases that prediction has become central to preventing that shrinkage. Declinism is a theory that has to be believed to be invalidated. Given the openness of its politics and the competitiveness of its economy, the United States is unlikely to decline so long as its public is periodically convinced that it is about to decline.”

The Huntingtonian notion of waves of declinism can be refined, as well as revised and extended both forward and backward in time. The loss of America’s nuclear monopoly in 1949, coincident with the Communist triumph in the Chinese Civil War, clearly marked a political decline from the commanding heights the United States occupied at the close of World War II and sparked a contentious domestic debate at the beginning or Harry Truman’s second term about where the responsibility for this “loss” should be lodged. It would seem that Huntington is inclined to see two waves in the 1970s when, in fact, Nixon and Kissinger in the early seventies were still addressing the echoes of the late 1960s wave, characterized by Senator J. William Fulbright in *The Arrogance of Power* and Senator Eugene McCarthy in *The Limits of Power* (a title recently recycled in this decade). The late 1970s round seems to represent the accumulation of experience with the Arab oil weapon, failed efforts to “accommodate” US policy to the rise of Soviet power as well as dissatisfaction with an emphasis on the “limits to growth” as popularized by the Club of Rome. In the late 1990s, and early part of the first decade of this century, yet another wave of declinism appeared. This wave overlapped with the acceleration of globalization and increased questioning of the role of the state as a unit of account in the international system as well as the rise of a United Europe which ultimately gave rise to its own literature predicting “The End of the American Era.” By this reckoning the current wave would be the

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45 Huntington, “The U.S. — Decline or Renewal?,” pp. 94–96; Marc Bloch, *The Historian’s Craft* (New York: Alfred A. Knopf, 1954) The “paradox of prevision; prevision which is destroyed by prevision; role of conscious awareness,” are phrases drawn from the notes for the unfinished text of the book as reported by historian Lucien Febvre in his introductory notes on the original manuscript. I am grateful to Professor Philip Zelikow for drawing my attention to Bloch’s relevant observation on this point.
seventh wave of declinism and the periodicity would seem to be linked more to the end of each decade than the US electoral cycle (although there is some, but not perfect overlap).46

THE ANTI-DECLINIST CASE

Huntington’s essay was also the first salvo in what might be termed an “anti-declinist” literature in response to the arguments being adduced to support the diagnosis and attendant policy prescriptions of the declinists. Since, as he noted at the time, the arguments tend to get recycled in each wave, a review of the anti-declinist arguments provides useful background to the contemporary discussion of Global Trends 2025 and can yield important insights into the nature of this debate.

In reviewing the declinist line of reasoning Huntington sought to disentangle key elements of the impressionistic picture of economic decline sketched by Kennedy and others. He noted that the large budget and trade deficits of the Reagan years were artifacts of government fiscal policies and were amenable to policy adjustment and could become more manageable if the economy remained on a path of growth. Huntington focused on the question of America’s declining share of global economic product. Here he pointed out that the question of decline was linked to the baseline for assessment. The United States produced 40–45 percent of global economic product at the end of the devastating war in Europe and Asia that left most of the world economy in ruins. “That share declined rapidly, reaching the vicinity of 20–25 percent of gross world product by the late 1960’s. That is roughly where it has remained.” The decline, he correctly observed, was in fact a product of a calculated US policy to re-invigorate the world economy and for the ensuing twenty-five years “US shares in global economic activity have fluctuated within a very narrow range.” Yet another issue addressed by Huntington was the so-called “systemic failures” of the United States in the areas of education and especially savings and investment. Here he concedes a point to the declinists that these are matters for concern and to be corrected for growth to continue but notes that the connection to economic performance has been unclear.47

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Most importantly Huntington argues that the ability to renew its power is the ultimate test of a great power. On this dimension he points to America’s open economy, competition, economic and social mobility and immigration as persistent sources of American strength. In addition the United States is strong across the various elements of national power; in that sense its power is “multi-dimensional.” Geographical location, or in Huntington’s terminology, the United States’ “structural position in world politics,” far removed from most major world conflicts, inclines others to seek US leadership in resolution of international disputes. America’s ideological appeal rounds out the list of non-economic factors contributing to the United States’ commanding position in world affairs.48

The anti-declinists do not fall quite as neatly into schools of thought as do those writing about decline. All anti-declinists reject the notion of US decline and share the basic arguments that Huntington made in 1988, but they tend to emphasize different aspects—economic, social, or geopolitical—of the Huntingtonian argument.

Some are economic revivalists; they believe that the US economic decline is overstated and that declinists undervalue the economic resilience of America’s open, free-market economy. They include Aaron Friedberg, Edward Luttwak and to some degree Robert Lieber.

Another school is comprised of soft power advocates who see the attractiveness of the American political and economic model, as well as the country’s cultural attractiveness. Joseph Nye, who pioneered some of the arguments for economic revival, is most closely associated with this approach but the arguments can be found in the works of Robert Lieber as well.

The structural positionists tend to stress the advantages of America’s geopolitical location and the resulting demand by others for the United States to provide leadership in solving international problems. Elements of this kind of thinking can be found particularly in Josef Joffe and Robert Singh but also in Friedberg, Luttwak, and Lieber.

Finally, the benign hegemonists stress the attractiveness of American ideology, its global leadership role and the willingness of others to follow the US lead. Robert Kagan and William Kristol are, perhaps, the figures most associated with this school of thought.49

The anti-declinist literature that emerged in the late 1980s and is now reappearing in the wake of the Global Trends 2025 report drew on Huntington’s original insights but deepened them with further analysis. Aaron Friedberg, for example, provided a more detailed investigation of many of the economic issues touched on by Huntington and concluded that although “the United States no

longer dominates the world economy as completely as it once did, and... has indeed been passing through a period of relative decline,” the result was likely to be “less direct and less immediate than is often claimed. In particular, the trends now visible do not compel the United States to withdraw from its overseas commitments, nor are they sweeping the world quickly and inevitably into an era of genuine multipolarity.”

From an altogether different point of view, Joseph Nye pioneered the notions of “attractive,” “co-optive” and ultimately “soft power” as an explanation for America’s seeming ability to maintain a hegemonic position in the international system despite elements of decline and power transition. Although the divisions among scholars and pundits over decline have tended to break down along ideological lines—declinists on the left and anti-declinists on the right—Nye and some others represent a centrist perspective.

Writing in 2008 Robert Singh saw the strength of America’s “exceptional empire” in the country’s continued predominance in hard power, the resilience of the unipolar world order, the failure of either anti-Americanism or the alleged decline of US soft power to diminish the preponderance of American power, and the continued commitment of the political class to US primacy. He argued that all the would-be peer competitors like Europe and China suffer from internal constraints, although he did not rule out an apolar or non-polar international order.

Robert Lieber, for his part, concluded, in his recent survey of the “Future of the American Era,” that despite real challenges and problems, the “underpinnings of American primacy remain relatively robust and the country’s ability to maintain its international primacy is, on balance, more likely than not to continue.” Lieber argued that the EU has not been able to turn its economic wealth, population and geographic size into effective political power, nor has it emerged as a real strategic competitor. Lieber, like Huntington in the earlier period, pointed to the continuing demand for US leadership and engagement in solving

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international problems, as well as flexibility, adaptability and demographics as sources of enduring strength. Edward Luttwak and Josef Joffe, in recent essays, also echoed the arguments of Huntington in asserting that openness and innovation are important American assets and that there is a low probability that current rates of economic growth in China can continue without instability and political disruption.53

The anti-declinists undoubtedly feel strengthened in their convictions because the declinists have been consistently wrong in the past. Nonetheless, as Aaron Friedberg points out, simply because the declinists have heretofore been wrong does not mean that they are not correct in their prognosis this time. Their arguments need to be taken seriously. America’s ability to adapt should not be underestimated, but America’s enduring primacy and the length of the unipolar moment are clearly going to be a matter of intensified debate in the next few years. A proper evaluation will depend on how we attempt to measure the power of those countries that might become additional poles in a multipolar world, and how we evaluate America’s enduring strength and capacity for revival. It is to those subjects that we next turn our attention.54


HOW TO ASSESS RELATIVE POWER POSITIONS?

American decline and the longevity of a unipolar world order will not be determined purely by economic gains or losses. The future shape of the international system will depend on broader measures of national power than the percentage of global production that a given state controls. Measuring national power, however, is notoriously difficult. In a situation of unipolarity, with little historical precedent to guide analysts, the measurement of relative power shifts is perhaps harder still. As Joseph Nye has observed, “power, like love, is easier to experience than to define or measure.” During the Cold War Soviet officials would frequently refer to the “correlation of forces” in world affairs. It was their attempt, rooted in Stalin’s thinking about power and international affairs, at measuring the international “balance of power”—a notoriously elusive concept. Chinese scholars have embarked on their own scientific effort to measure comparative national strength.

For China, measuring its “Comprehensive National Power” (CNP) has “become a national obsession” with a variety of think tanks developing their own complex formulae and matrices of factors that are relentlessly quantified and which produce rankings of national power that pretend to great scientific and mathematical precision. As one foreign observer has noted, the Chinese have undertaken

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this task because “they understand that it is only by looking at your opponents’ weaknesses that you can understand your own strengths.”

The Chinese effort to measure CNP represents a very large effort rooted in the country’s strategic culture. Although the Chinese distinguish between qualitative and quantitative elements the heavy emphasis in the various formulae used for making CNP calculations is heavily weighted toward economic variables because “actual economic strength is, of course, the major component part of Comprehensive National Power, and to a certain extent, a country’s actual economic strength represents its Comprehensive National Power.” The main CNP efforts examine the following factors:

1. Natural resources;
2. Economic activities capability;
3. Foreign economic activities capability;
4. Scientific and technological capability;
5. Social development level;
6. Military capability;
7. Government regulation and control capability; and
8. Foreign affairs capability.

The Chinese assign weighted coefficients to all of the categories for different nations and compute scores that attempt to predict the hierarchy of nations in the international order, the likely strengths of adversaries and potential allies, as well as potential winners in war and, most interesting for our purposes, the future of multipolarity in the international system and US decline, with an array of predictions depending on which Chinese institution you consult.


The Chinese CNP method is really not all that different from the classical realist measures established by Hans Morgenthau in his classic *Politics Among Nations*. He outlined geography, natural resources, industrial capacity, military preparedness, population, national character, national morale, the quality of diplomacy and the quality of government as the classic elements of national power. Many of the components of national strength that Morgenthau delineated had a more subjective quality. One might add to his list some of the so-called “soft power” elements identified by Joseph Nye that include the attractiveness of a country’s ideology, economic model and cultural products.58

Some years ago Jeffrey Hart pointed out that measuring control over resources, although the most prevalent way to measure national power, was not necessarily the best way since it was far from clear that nations would be able to use those resources and because it left out the role of non-state actors and the possibility of collective action with coalitions among other reasons. He also examined control over other actors and concluded that ultimately the most important measure of international power was control over events and outcomes.59

More recently Ashley Tellis and his colleagues at the RAND Corporation undertook a major effort to move beyond looking at countries as “bordered resource containers.” This effort entailed trying to develop a methodology for scrutinizing not just military assets and capabilities but, in a post-industrial age, factors such as innovation, education, and the strength of social institutions. Tellis and company examine nations not as bins for capability but rather as mechanisms for transforming resources into power. This method requires a much more subjective qualitative analysis that looks at efficiency of governing institutions or national performance and the ability of the state to produce military capability understood as “the strategic resources available to a military organization and its ability to convert those resources into effective coercive power.”60

The NIC reports have relied for their assessments of potential national power on a highly specified International Futures (IFs) model developed by Barry Hughes at the University of Denver. The International Futures model is a “large-scale, long-term, integrated global modeling system. It represents demographic, economic, energy, agricultural, socio-political, and environmental subsystems for 183 countries interacting in the global system.” The model is focused on nation-states rather than non-state actors and its output in terms of purported future shares of international power is based on inputs or “drivers” that seek to weigh


national resources under rubrics like domestic socio-political arrangements, international standing, and material factors like economic, agricultural, energy, technology and environmental assets. The intelligence community has also attempted to bring together Ashley Tellis and his colleagues with Barry Hughes and intelligence analysts to improve the sophistication of their ability to measure national power.61

What is striking about all of these efforts is that the factors that are considered are more or less the same. The main metrics tend to include GDP, population, defense spending, and then a variety of other factors. There are differences among the various methods as to how one might quantify or otherwise measure many of the factors. But since all agree that these kinds of measurements are inherently subjective it is not surprising that slightly different factors and different weights to different factors can lead to differing results. It is not clear how much these models can account for discontinuities and dynamic changes as opposed to straight-line projections and relative shifts in power. Nor is it clear that the models can really measure the all-important question of how world leaders perceive shifts in relative national strength and power.

For our purposes the key factor would seem to be getting at the ability of countries to convert resources into usable power combining both hard power and attractive soft power varieties. Although the NIC has invested great effort into examining methods and models that seek to go beyond merely looking at countries as “baskets of capability,” the speculations in Global Trends 2025 still are heavily weighted to the objective and more easily quantifiable elements. The following chapter attempts to assess potential competitors and the United States by synthesizing the various ways national power is measured. The assessment, necessarily brief and impressionistic, seeks to reconsider the countries in light of the factors that might make it difficult for them to transform their growing economic power into the kind of political and military power that would challenge US primacy. It assesses the United States, on the other hand, with the aim of determining what long-term and continuing advantages might be developed to extend its primacy into the future.

At the end of the day, at least as important as the objective measures of national power are the subjective assessments of international statesmen and military leaders about the international distribution of power. Those judgments are inevitably affected by a range of cultural, psychological, bureaucratic and political factors. The debate over American decline and whether or not we are entering a multipolar, as opposed to unipolar, world in and of itself will inevitably have an impact on those subjective judgments. It will make a difference, for instance, if

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policymakers judge China’s rise to be unstoppable when, in fact, the country may suffer from key weaknesses. Recognizing this fact only underscores why it is important that the debate in the United States be balanced and based, to the degree possible, on careful analysis rather than political sloganeering.

The prospective multipolar world described by Paul Kennedy, as well as Nixon and Kissinger, consisted of Europe, Japan, Russia, and China in addition to the United States. The rise of the big new emerging economies has added India and Brazil to the list of prospective major powers in the international system although others are also possible. George Friedman, for example, believes Turkey will be a great power by the middle of the century. Our assessment of putative powers, however, will cover the traditional contenders, Europe and Japan, and include the so-called BRICs as well.

**THE WOULD-BE COMPETITORS: EUROPS, JAPANESE MIRACLES AND BRICS**

**Europe**

Many of the declinist predictions of the late 1990s, as well as the most recent wave, have taken as a point of departure that a united Europe will comprise a key component of a prospective multipolar world. The assumption that Europe would play this role was also a part of the Nixon-Kissinger projection of multipolarity in the 1970s. With the signing of the European Single Act, the Maastricht Treaty, the resulting transition from a European Economic Community to an ever-deepening European Union, and the advent of the Euro (always a potential competitor to the dollar for the privileges associated with an international reserve currency) it was possible to imagine a transformed Europe with its supranational institutions emerging as a possible balancing pole in the international system.62

In this euro-centric account, a united Europe would ultimately exceed the United States in GDP and would potentially, in the security realm, have the capacity to generate comparable defense capabilities to those of the United States. In this narrative the rise of Europe would ultimately lead Europeans to reject US hegemony in the economic realm and tutelage in the security realm and lead them to project greater power themselves, although in many accounts this has been characterized as civilian rather than military power. At its most expansive this view sees Europe emerging as a global leader in world affairs and offering an alternative model to the United States. As Mark Leonard has written, 62

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The overblown rhetoric directed at the “American Empire” misses the fact that the US reach—militarily and diplomatically—is shallow and narrow. The lonely superpower can bribe, bully, or impose its will almost anywhere in the world, but when its back is turned its potency wanes. The strength of the EU, conversely, is broad and deep: once sucked into its sphere of influence, countries are changed forever. For fifty years, under the cover of an American security blanket, Europe has been creating a “community of democracy” and using its market size and the promise of engagement to reshape societies from the inside. As India, Brazil, South Africa, and even China develop economically and express themselves politically, the European model will represent an irresistibly attractive way of enhancing their prosperity while protecting their security. They will join with the EU in building “a New European Century.”

Recent developments have offered an opportunity to test this Euro-triumphalism against emerging realities. Unlike the prospect of China surpassing the United States as the world’s largest economy, which may happen toward the end of this decade, the European Union has already surpassed the United States in the size of GDP calculated at purchasing power parity (PPP). Yet this economic power has not resulted in the emergence of a geopolitically powerful Europe. As Philip Stephens has observed, “grandiose talk of Europe’s emergence as a superpower alongside the US and China has been lost to its weak economic performance and even weaker political leadership.”

When the 2007–2008 financial meltdown began many Europeans believed that the phenomenon was limited to the United States and would not affect the eurozone economy, but the IMF World Economic Outlook reports that “financial systems suffered a much larger and more sustained shock than expected, macroeconomic policies were slow to react, confidence plunged as households and firms drastically scaled back their expectations about future income, and global trade plummeted.” All of this led to a contraction of about 6 percent in the Euro area and the United Kingdom in the second half of 2008 with an additional decline of 4 percent in 2009, “making this the worst recession since World War II.” Prospects for recovery are clouded by the financial dependence and weaknesses of the new EU member states, the difficulties Europe faces in coordinating its financial policies and uncertainties with a hoped-for growth in global demand.

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Even before the economic crisis began to take the wind out of European sails, the EU was not effectively translating its economic potential into power on the international stage. Charles Grant has captured the reasons for this well. The Europeans, he wrote recently, “are sometimes divided on key issues, and fail to coordinate their actions effectively; they are over-represented in many international bodies; and their military muscle is weak.” Although the EU has exerted influence in its own neighborhood and has taken the lead on Macedonia and Bosnia, “when it come to pressing international problems like Afghanistan, Pakistan or North Korea, the EU is either largely invisible or absent.” The persistence of national differences (and sensitivities) on foreign affairs have contributed to the failure to develop a “common strategic culture.” The expansion of the Union as well as the resulting increase in the number of differing perspectives (particularly on issues like Russia) have impeded the development of a genuinely European foreign policy. These factors, along with an ongoing collective failure to devote sufficient resources to the military, have produced chronic EU underperformance in the politico-military realm. Europe's continued difficulty in designing institutions capable of garnering public support will likely result in a continued inward, insular and process-oriented focus. Although the development of the European Security and Defense Policy (ESDP), associated with the efforts to rework EU institutions, can be seen as an effort to balance the United States, in many ways it is more a hedge against the prospect of US disengagement or indifference to European security needs.  

Even in areas where Europe has been more visible, as in the negotiations with Iran over its nuclear program, the activity has been conducted in close consultation with the United States. In this regard one can say that, however battered by the Great Recession, the spirit of transnational liberalism lives on. Europeans have been part of an American-led security community for some time and European leaders continue to see the transatlantic relationship in that light. In the broader public as well, although differences remain on issues like Iran and Afghanistan, America’s standing has improved. According to a recent poll, public approval of the United States, in the wake of President Obama’s election, has returned to levels last recorded in the 1990s. Continued dependence on the United States security guarantee has allowed Europeans to spend less for their own security. These considerations have forced even Euro-triumphalists (who otherwise believe that America is in decline, the United States must adjust its policies, and Europe must become part of the “post-American world”) to admit that Europe:

> Continues to rely on US security guarantees;

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Believes that the United States and Europe share basic interests;
Depends on maintaining a harmonious transatlantic relationship; and
Sees balancing against American power as damaging to individual nations’ “special relationships” with the United States.\(^6^7\)

These attitudes are unlikely to change soon. In fact, given the demands for continued social welfare spending it is unlikely in any conceivable set of circumstances that Europe will provide the resources required to dramatically increase its military capabilities. Whether Europe as a whole will be willing to adopt a more expansive approach to global issues like Afghanistan, Pakistan and Asia more broadly remains to be seen, although there are some glimmerings that the rise of China is getting some attention in Europe.\(^6^8\)

Without a doubt, however, Europe’s biggest challenge is demographic. It is a challenge that has the potential to exacerbate both economic and social problems in Europe and renders even more unlikely the notion that Europe will increase its military power or be willing to wield it outside of Europe. *Global Trends 2025* notes that the next fifteen years will bring a dramatic increase in the ratio of pensioners to workers in Europe. In the absence of extraordinary increases in productivity, economic growth will slow. This, combined with an increased elderly population and growing health care costs, will strain the generous welfare programs in most European countries. The decline in manpower will also affect European military forces, which are likely to shrink as well. Additionally, the problem of integrating Europe’s Muslim minority will become more acute as the proportion of Muslims in Europe’s population increases. The growth in urban concentrations of young Muslims coupled with the slowing of economic activity could be a combustible mix, as the 2005 riots in France demonstrated. The growing weight of Muslim voters in European politics will likely make “European policymakers increasingly sensitive to the potential domestic repercussions of any foreign policies for the Middle East....”\(^6^9\)

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\(^6^9\) *Global Trends 2025*, p. 25.
Although Europe’s demographic decline will not be as dramatic as Japan’s it will present European policymakers with enormous economic, social and political challenges that will make them even less likely to focus on foreign policy challenges distant from the European heartland. It will also diminish their ability to contribute, as US allies, to common security objectives. It is probably too strong to say “demography is destiny” for Europe, but it is difficult to see any way to avoid a shrinking Europe since the record of pro-natalist policies as a remedy is not very encouraging.

Even if Europe were able to surmount these demographic trends, the political and economic challenges of deeper and more extensive European integration remain. As Global Trends 2025 suggests the EU could well become a “hobbled giant distracted by internal bickering and competing national agendas, and less able to translate its economic clout into global influence.” This conclusion seems likely to be powerfully reinforced by the sovereign debt crisis that erupted in Greece and threatened to engulf all of Europe in late spring 2010.70

Japan

In the 1970s and 1980s it was widely assumed that Japan would join Europe in becoming one of the new powers in an emerging multipolar world. Huntington’s 1993 review of the importance of US primacy actually focuses most on the Japanese economic challenge to American hegemony. “US economic primacy,” he wrote, “is now being challenged by Japan and is likely to be challenged in the future by Europe.” This was an era in which a 1992 presidential candidate, echoing scholar Chalmers Johnson, repeatedly declared that the “Cold War is over and Japan won.” It was the time of “Japan, Inc.,” “the Japan that Can Say No,” “Japan as Number One: Lessons for America,” “Theory Z” and books by James Fallows, Lester Thurow and Jeffrey Garten predicting an economic power struggle among the United States, Europe and Japan and their competing types of capitalism.


The problem of integrating Europe’s Muslim minority will become more acute as the proportion of Muslims in Europe’s population increases.
Japan was widely viewed as a model for the engineering of manufactured goods, management practices and industrial policy.  

What happened to the Japanese challenge? The answer may be instructive because it suggests some of the difficulty with forecasts based on straight-line projections of economic growth and development trends. Huntington diagnosed the cause of Japan’s startling economic rise from defeated nation to economic powerhouse in three decades. It was based, he argued, on what he called “producer dominance”: the subordination of consumer interests to those of industrial producers. The government targeted development assistance to industries, first for the Japanese domestic market and subsequently for overseas markets. Pursuit of market share trumped the search for profits. Huntington worried about the manifold threats of Japanese economic ascendancy for the United States:

- Potential dependence on Japan for key defense-related technologies;
- American de-industrialization;
- Increased Japanese global influence (as a provider of international assistance);
- The prospective use of Japanese financial power against US interests; and
- Japanese ability to influence American domestic opinion and government decision-making in ways that worked to favor Japan’s interests.

With the advantage of hindsight these concerns seem overblown but, at the time, they were widely believed and could well have come to pass had Japanese economic and political development not taken a radically different trajectory.

Rather than scaling the heights of global economic dominance, Japan suddenly entered a decade of deep recession, economic stagnation, income loss, high levels of unemployment and political drift as its “asset bubble” burst. The failure to systematically attack the weaknesses in the banking sector exposed by the financial crisis, an overbearing bureaucracy, the intrinsic difficulty of government...

Today, Japan barely figures in the discussions of an emerging, multipolar world for two reasons: 1) the “lost decade” of stagnation, compounded by the Great Recession; and 2) Japan’s daunting demographics. Japan’s economy, according to the IMF, contracted by twelve percent in the fourth quarter of 2008. Prior to the recession, interest rates were already near zero and the government had been providing enormous amounts of fiscal stimulus for years, making it difficult to find tools for macroeconomic stabilization. Japan has conspicuously not been a part of the quick recovery that has been experienced in the other emerging Asian economies. Japan’s economic imbalances are structural and persistent, and its ratio of public debt to GDP is the highest in the developed world, although unlike the United States, the Japanese hold most of their own debt.\footnote{Justin Lau and Robin Harding, “Rise in Exports Gives Japan Hope in Recession Struggle,” Financial Times, Dec. 22, 2009; “Japan’s Unbalanced Economy: Stuck In Neutral,” The Economist, August 15, 2009, pp. 65–67.}

Japan faces a wave of aging that is not only larger than that of any other developed country, but is also approaching much faster.\footnote{Jackson and Howe, The Graying of Great Powers, pp. 44–45; Global Trends 2025, p. 21; Long-Term Global Demographic Trends, pp. 7, 85; Longman, The Empty Cradle, pp. 48–52.}
BRICs

*Global Trends 2025* devotes much of its attention to the so-called BRIC countries—Brazil, Russia, India and China—as potential players in the coming multipolar game of great power politics. As the report notes “growth projections for Brazil, Russia, India and China (the BRICs) indicate they will collectively match the original G-7’s share of global GDP by 2040–2050. Indeed in one of the scenarios posited in the report, called “BRICs Bust Up,” nationalism and competition for resources, against a backdrop of a pre-1914-like multipolar distribution of power, prompt a Sino-India clash with Brazil emerging as the mediator.76

The BRICs did not emerge as an organic geo-political bloc but rather as an artificial analytic construct produced by the Goldman Sachs economic research group. In a series of papers the Goldman Sachs research team argued that the potential growth rate of the BRICs merited their inclusion in the G-7 global economic policymaking forum. If the BRICs “maintain policies and develop institutions that are supportive of growth,” a key and perhaps questionable assumption, they could represent fifty percent of the GDP of the G-6 countries (US, Japan, UK, France, Germany, Italy) and within forty years they could be larger than all but the United States and Japan. The expansion of the G-7 to the larger G-20, as part of the effort to manage the global recession in 2008 is, in part, a vindication of the Goldman Sachs analysis which has been periodically updated with ever more bullish projections of the growth potential of the BRICs.77

If life is said to imitate art, sometimes politics imitates Wall Street’s economic analysis. As the *Financial Times* reported, on the eve of the 2009 BRIC Summit hosted by Russian President Dmitri Medvedev in Yekaterinburg, the event “is almost certainly the first multilateral nation block to be created by an investment bank’s research analysts and their sales team.” The Summit agenda was explicitly linked to creating a more multipolar world in accord with the long-time position sketched out by Russian Prime Minister, and former President, Vladimir Putin. According to Medvedev the purpose of the conclave was to demonstrate that “the BRIC should create conditions for a more just world order.” Although a communiqué suggested that the participants wanted a “‘greater voice’ in international financial institutions and a ‘more diversified’ global monetary system” it was not

76 *Global Trends 2025*, pp. vi, 76–79.
clear that they shared much else in terms of geo-politics or even geo-economics. There appeared to be more “rhetoric than substance” which was not altogether surprising since it was “debatable whether the BRICs have anything more in common than their size and economic potential. The structures of the four economies are very different, with Brazil specializing in agriculture, Russia in commodities, India in services and China in manufacturing.”

Another well-informed observer noted that “the dirty little secret in Yekaterinburg is that the BRIC countries have little in the way of a common policy agenda.” Beyond the absence of a shared political viewpoint, it is not even clear that they could constitute a trading bloc since there was relatively little trade among the BRICs. In fact, “trade disputes have been common among the four.” Although the BRICs (save Russia which experienced a large economic downturn in 2009) have been recovering faster than the developed world’s economies, much of this seems to be the result of large government intervention and the growth of state-owned firms. Whether this will be a sustainable path forward for continued economic development after the crisis has passed remains to be seen. As the Financial Times recently noted, “a decade of rapid growth is not enough for the BRICs to seize the baton of global economic leadership from the U.S. and western Europe. The grouping, or some of them, may have astonished the world with their progress over the past ten years. But it will require a qualitative improvement as well as more growth to consolidate that shift of power.”

Brazil

If the BRICs are not much of a block perhaps it would be best to disaggregate them and consider the countries individually as aspiring great powers. Wags have said for years that “Brazil is the next great power and always will be.” A more polite version is that “Brazil has long been known as a place of vast potential.” Global Trends 2025 takes a rather tempered view of Brazil’s future global role, suggesting that “Brazil probably will be exercising greater regional leadership, as first among equals in South American fora, but aside from its growing role as an energy producer and its role in trade talks, it will demonstrate limited ability to project beyond the continent as a major player in world affairs.” After many years of anticipation it may well be that Brazil is finally “getting it together.” With a growth rate of 5 percent and additional oil resources coming on line “Brazil in some ways outclasses the other BRICs. Unlike China it is a democracy. Unlike

Although the BRICs have been recovering faster than the developed world’s economies, much of this seems to be the result of large government intervention and the growth of state-owned firms.

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India, it has no insurgents, no ethnic and religious conflicts nor hostile neighbors. Unlike Russia, it exports more than oil and arms, and treats foreign investors with respect.”

Nonetheless, Brazil still has longstanding economic and social limitations. The country trails other large developing countries in levels of educational attainment, spending on research and infrastructure development (South Korea for example issues thirty times as many patents a year as Brazil). Violent crimes are endemic. The country suffers from chronic underinvestment. Government spending is growing at an alarming pace. Regulations and labor laws are complicated and constraining and there are chronic fears about the country’s finances (which have exposed it to repeated meltdowns in response to international economic developments). President Lula da Silva has also worked assiduously to address the deep chasm between rich and poor that has long been a major social problem for Brazil. Maintaining the stable macroeconomic platform for growth that President Lula inherited from his predecessor will be vital to sustain the progress that Brazil has made in the past decade.

On the regional level, Brazil has already played a leading role in managing hemispheric security issues like the crises in Haiti and more recently in Honduras; however, as the NIC suggests a more global role would appear to be a bit of a stretch, particularly given the economic vulnerabilities mentioned above. If anything, Brazil looks like a prime candidate for a stronger relationship with the United States in order to serve as a model-example of successful integration into the global economy and an alternative to the populist, anti-globalization agenda promoted by Venezuela’s Hugo Chavez, as well as to help manage security problems in the hemisphere (much as India may emerge as a US partner in Asia). Although Brazil’s traditional association with “Third World causes” could inhibit that kind of partnership between Brazil and the United States, there is reason to believe such collaboration could come to characterize the relationship more in the future than it has in the past.

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Russia

Russia, as noted earlier, has suffered enormously from the Great Recession and has seen its GDP contract by about 10 percent over the course of 2009. During the first decade of this century, however, the petro-authoritarian regime put into place by Vladimir Putin delivered economic growth (albeit fueled almost solely by oil exports) and a more stable domestic economic and political environment than existed during the tumultuous post-Communist Yeltsin years. In May 2001, *The Atlantic Monthly* published an article which suggested that “Russia’s thousand-year history has destined it to shrink demographically, weaken economically, and, possibly, disintegrate territorially. The drama is coming to a close, and within a few decades Russia will concern the rest of the world no more than any Third World country with abundant resources, an impoverished people, and a corrupt government. In short, as a Great Power, Russia is finished.” Although the account was overwrought it represented a widespread view at the time. The petro-boom that ensued allowed Putin to deliver prosperity at the same time that he dismembered the independent media and began to dispossess the “Oligarchs” who through connections, chicanery and the process of privatization had become the key players in Russia’s business world. Putin recruited a number of former military and security officers (*siloviki*), many with personal connections to him from his years in St. Petersburg, to help with the tasks of administering the economy in a new system of “managed” or “sovereign democracy.”

*The Global Trends 2025* prognosis for Russia’s future is of two minds. “Russia has the potential to be richer, more powerful, and more self-assured in 2025 if it invests in human capital, expands and diversifies its economy, and integrates with global markets.” That, however, would represent a marked departure from the Putin decade which installed a regime characterized by kleptocratic crony capitalism—a “criminal state,” in David Satter’s words. As Edward Lucas describes it “bribery and corruption are not part of the system, they are the system,” with the *siloviki* manning the commanding heights of the economy. The *siloviki* have been more prone to extract rents from their economic holdings than to engage in productive investment and diversification. Their economic nationalism and post-imperial nostalgia for Russia’s “return” as a great power have conditioned Russia’s

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anti-Western stance over the past decade. Those policies, in turn, help justify and underpin the authoritarian tendencies of “sovereign democracy” in Russia.85

Whether the more benign Russia mooted by Global Trends 2025 emerges will, to a large degree, depend on whether Russia under President Medvedev returns to the agenda of structural reform that was largely abandoned under Putin’s presidency. Some believe this may be happening and see incipient policy differences between Prime Minister Putin and President Medvedev. Others are not so sure. Ivan Krastev has wittily observed, “I am sure there is a Medvedev camp and that there is a Putin camp. What I don’t know is [whether] Medvedev [is] a part of the Medvedev camp.” With the price of oil hovering near seventy dollars a barrel, any sense of urgency about the need for reform (driven by internal concerns about the state of the capital market, the intervention in Georgia and compounded by the Great Recession) has faded.86

Even if Medvedev were to aggressively promote the reform agenda, however, he would find Russia’s catastrophic demographic situation a powerful limitation. Philip Longman has argued that “today, a vicious combination of low fertility and diminishing life expectancy … has become a huge obstacle to the country’s future.” At the beginning of the century Putin himself noted that “we are facing the serious threat of turning into a decaying nation” and he has, in several of his messages to the Russian Duma, addressed the country’s demographic challenges. The CIA’s projections at that time called for Russia’s population to decline to a level last seen


in the early 1960s and, in particular, drew attention to the large depopulation of Russia’s Far East and the need to import labor from its Asian neighbors. “Illegal immigration from China,” the report noted, “is already creating social tensions.” Given the large energy and mineral resources present in the Far East it is hard to imagine that the demographic imbalance along the border will not give rise to serious political tensions between the Russian Federation and China.

Nicholas Eberstadt has described Russia’s contemporary demographic disaster as only the most recent episode of population decline in the past one hundred years, albeit the first not resulting from revolution, forced collectivization or war but rather the peaceful collapse of the Soviet Union. In Eberstadt’s words “A specter is haunting Russia today. It is not the specter of Communism — that ghost has been chained in the attic of the past — but rather of depopulation — a relentless, unremitting, and perhaps unstoppable depopulation. The mass deaths associated with the Communist era may be history, but another sort of mass death may have only just begun, as Russians practice what amounts to an ethnic self-cleansing.” The collapsing health care system and high rates of alcoholism combine to produce rates of mortality by injury that make Russia look “not like an emerging middle-income market economy at peace, but rather like an impoverished sub-Saharan conflict or post-conflict society.” As a result, an average Russian young man of fifteen has a shorter life expectancy than his Somali counterpart. Depopulation will be an enormous impediment for any effort to produce economic growth because “history offers no examples of a society that has demonstrated sustained material advance in the face of long-term population decline.”

Global Trends 2025 acknowledges Russia’s demographic predicaments in more muted terms, noting blandly that “Russia’s fertility and mortality problems are likely to persist through 2025, Russia’s economy ... will have to support the large proportion of dependents.” As the earlier CIA demographic forecast noted, “the weakness of Russia’s current and likely future conventional forces has already driven military doctrine toward reliance on nuclear weapons to solve a broader range of military problems.” The demographic and health limits on military manpower are likely to compel Russia into a long-term continued reliance on nuclear weapons as the only conceivable counter-balance to others’ military power. Its general-purpose conventional forces, while posing a limited

“A specter is haunting Russia today. It is not the specter of Communism — that ghost has been chained in the attic of the past — but rather of depopulation — a relentless, unremitting, and perhaps unstoppable depopulation.”

87 Longman, The Empty Cradle, p. 60; Long-Term Global Demographic Trends, p. 9.
threat to former parts of the Soviet empire, like Ukraine or Georgia, will be a decreasing concern at the global level. 89

Much of the speculation about the emergence of multipolarity has suggested a possible Russian-Chinese counter-coalition or at least a tilt by Moscow in the direction of Beijing as part of an effort at “soft balancing.” There is no question that Putin and Russian leaders have profited from arms sales to China and, on occasion, join with China in sticking a figurative finger in America’s eye over Iraq, sanctions on Iran or, more recently, the role of the dollar as the international reserve currency. On close examination, however, there seems to be less to the relationship than meets the eye. As Bobo Lo, researcher at the Centre for European Reform, has argued, the relationship is more an “axis of convenience” that “falls well short of strategic cooperation which implies not only a common sense of purpose across the board, but also the political will and coordination to translate broad intent into meaningful action.” He finds evidence of “tactical and instrumental” cooperation rather than genuine “like-mindedness” and believes both Moscow and Beijing are more interested in “engaging with the West than with each other.” Lo’s conclusions are consistent with Pierre Hassner’s judgment that “Putin knows full well that in the long run China constitutes a bigger danger to Russia than does the United States,” but playing the China card allows Russia’s elite and public to enjoy the illusion of “virtual multipolarity” to go along with the pretensions of “virtual democracy” and “virtual empire” that are the hallmarks of the Putin regime. This is also consistent with the conclusion of others that the siloviki who populate the Russian regime are xenophobes and extremely apprehensive over the growth of Chinese economic, political and military influence. 90

At current rates of growth, India will surpass China, sometime after 2025, as the country with the world’s largest population.

India

In 2004 the NIC’s Mapping the Global Future report identified India as a rising power along with China. Global Trends 2025 says “India probably will continue to enjoy relatively rapid economic growth and will strive for a multipolar world in which New Delhi is one of the poles.” At current rates of growth, India will surpass China, sometime after 2025, as the country with the world’s largest population. The Goldman Sachs analysts who included India among the BRICs in 2001


suggested, three years later, that India had vastly underappreciated growth potential and, compared to China, “could potentially be a bigger growth story over the long run.” Greater openness, a potential “demographic dividend” because India’s population growth will continue well into the middle of the twenty-first century, and the success of India’s service-sector led growth model could well make India “the next China.”

India has been averaging about 5 percent growth per year for the last decade. Forecasts for future growth are bright. Deutsche Bank suggests a possible growth rate of 6 percent per annum in the coming years. Goldman Sachs believes the growth rate could be even higher, conceivably reaching 8 percent if India can match Chinese levels of education and infrastructure. According to Goldman Sachs’ projections India will be the only country to grow at more than 5 percent per annum for the next forty years and the only one with population growth throughout the period. This growing population of working-age groups is a key factor in making India the poster child for an economic demographic dividend. As Edward Luce has noted “India’s clearest advantage over China and other developing countries is its demographic profile,” but he notes other advantages as well, including India’s democratic political system, independent judiciary and free media.

Economic success in India is also generating increased military capability. A nuclear weapons state with an active-duty military force almost the size of the United States military, India’s defense budgets have been growing by 13–25 percent a year. In addition, India is seeking to increase its air and seapower capabilities. It is procuring a modern, multi-role jet fighter, cargo aircraft, advanced helicopters, improved ISR, missile defense technology, submarines and aircraft carriers, among other systems, that will allow it to project power.

India, however, is also beset by an array of demographic, economic, social, political and security problems that are daunting to say the least. India, from a demographic perspective, is a divided society with a low birth rate in the south, which is home to the economic engine of India’s growth and a high birth rate in the largely Hindi-speaking north. As the NIC report notes, “by 2025, much of India’s work force growth will come from the most poorly educated, impoverished, and

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crowded districts of rural northern India.” This is what Nicholas Eberstadt calls a “tale of two countries.” He notes that some projections show perhaps as much as a third of Indians twenty-five years or older could be virtually illiterate and concludes that if health and aging are the great inhibitor to Russian economic growth, “seriously inadequate educational opportunity for all too much of the population looks to be the Achilles Heel for India.”

The Goldman Sachs analysts, in a recent list of ten key things India needs to do to realize its potential, have placed better governance, enhanced educational attainment and increased quantity and quality of higher education at the top of the list. In addition, there is a fairly long inventory of other policy items including fiscal discipline, financial liberalization, increased regional trade, improved infrastructure, as well as greater agricultural productivity and enhanced environmental quality. The last two are linked by the difficulties created by India’s shrinking water supply. Success in resolving all these issues would be a high bar for any country, but how well a country like India, known for its rigid bureaucracy, will do is an open question. It is easy, therefore, to agree with Edward Luce’s judgment that “India’s rise in the early 21st century is widely expected, but it is not yet fully assured.”

The economic difficulties, including the continuing issue of poverty alleviation (about 25 percent of the Indian population is still desperately poor and the percentage below the poverty line could be well over 40 percent using the upwardly revised norms of the World Bank), corruption and the health care challenges of widespread HIV/AIDS would be enough to test any nation or government’s mettle, but India also faces security challenges, both domestic and regional, that complicate its future prospects. Inter-communal religious violence between Muslims and Hindus and politically-inspired violence represent serious internal security challenges. The government must also deal with separatist movements in the Northeast and a long-running radical leftist insurgency, the Naxalites, that Prime Minister Singh has characterized as “the single biggest internal security challenge ever faced by our country.” Kashmir is a long-festering crisis which has sparked serious terrorist incidents such as the assault on Parliament and the Mumbai attacks, which have periodically threatened to provoke a war between India and its nuclear-armed neighbor Pakistan. The failure to resolve the Kashmir dispute is unlikely to derail Indian economic growth but does impose costs on the nation. Finally, India lives in a difficult neighborhood of weak or failing states including Pakistan, Afghanistan, Nepal, Sri Lanka, Bangladesh and

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93 Global Trends 2025, p. 26; Eberstadt, “Growing Old the Hard Way: China, Russia, India.”

Burma. All represent a set of complex policy challenges for India including the possibility of terrorism, narcotics smuggling, crime, broader regional instability and potential outside intervention.95

Even if the most bullish projections for India do not come to pass it is clearly a country on an upward trajectory. Given its historical association with the Soviet Union during the Cold War and its “non-aligned movement” outlook on international institutions one might see India as a likely candidate to balance or seek to counteract US power. Yet that has not been the case. Both countries share democratic values and, at least among the elite in India, the English language. India and the United States also share the same strategic preoccupations: both are worried about the activities of Islamist extremists and the rise of China. That shared perception formed the basis of perhaps George W. Bush’s most audacious foreign policy initiative: the US-India Civil Nuclear agreement he signed with Prime Minister Manmohan Singh in July 2005. The deal effectively recognized India as a de facto nuclear power and laid the foundation for a strategic partnership with India and a potential balance of power in Asia. India’s location, economic promise and military weight all suggest that the relationship with India, although not an alliance at this stage, will loom larger in US calculations in the years ahead.96

The development of a US-Indian strategic partnership will not come easily or quickly. Like Brazil, India has naturally identified with the developing world in the North-South disputes that persisted through the Cold War and beyond. Indian negotiating behavior in international fora has been difficult and obstructive. Because of its colonial background, national sovereignty issues are particularly sensitive. Exactly what kind of “great power” India will become is still a matter of some debate in India. The nature of Indian identity has been contested for some time and it would only stand to reason that the uncertainties about what India is would be reflected in any discussion of what role it wants to play as it increases its weight in world affairs. One analyst has described four different views, “Moralists wish for India to serve as an exemplar of principled action; Hindu nationalists want Indians to act as muscular defenders of Hindu civilization; strategists advocate cultivating state power by developing strategic capabilities; and liberals seek prosperity and peace through increasing trade and interdependence.” Which one of these visions will prevail is difficult to say and whether India can get beyond its post-colonial attitude, accept the liberal, globalized international order and learn to become a country that can say “yes” is not clear. Furthermore, it will depend on


the degree to which it succeeds in meeting the policy challenges discussed above and manages its relations with the United States and, of course, the other important rising power in Asia (the People’s Republic of China), because although some analysts see the rise of China as leading to a stable Asian security environment others see the region as ripe for rivalry. As one senior Indian official has put it, “the thing you have to understand is that both of us [India and China] think that the future belongs to us. We can’t both be right.”

China

The rise of China has attracted more attention than any of the other of the so-called BRICs. According to the Global Trends 2025 report, “if current trends persist, by 2025 China will have the world’s second-largest economy and will be a leading military power.” In fact, a December, 2009 survey of the internet, blogosphere and fifty thousand print and electronic media sources indicated that China’s rise was the most cited story of the decade. More recently, Jim O’Neill of Goldman Sachs announced that China could surpass the United States as the world’s largest economy by 2027.

The global recession has barely put a dent in China’s ascent. The Financial Times reported at the beginning of 2010 that China (along with India) was helping to lead Asia to a “robust and widespread recovery.” As The Economist noted in mid-2009 “the sharp downturn in Asia late last year painfully proved that the region was not immune to America’s downfall. But the speed and strength


of its rebound, if sustained, show that it is not chained to Uncle Sam either. In anything, the crisis has reinforced the shift of economic power to the East.”

The enthusiasm of the Goldman Sachs analysts was picked up by others (it clearly influenced the authors of the NIC report) and China’s economic record is indeed impressive. As one Goldman Sachs study noted, “China’s unrivalled economic growth over the past quarter-century has surpassed all records and created a new standard in the history of economic development. With an average annual real GDP growth rate of 9.6 percent from 1978 to 2004, China’s pace of growth is faster than that achieved by any East Asian economy during their fastest-growing periods.”

Throughout the 1990s scholars and pundits had pointed to China’s seemingly inexorable economic rise and pondered its potential impact on the security of East Asia and the international system. Some suggested that the development would inevitably lead to rivalries, the creation of security dilemmas for Asian nations and potentially strategic competition with the United States. As the decade wore on and unipolarity solidified, some assessments were much more sanguine. At the opposite end of the spectrum were those who argued that China’s ascension to hegemonic status in Asia (and perhaps beyond) was inevitable and had to be accommodated by the United States. The most extreme form of this argument is the recent book by Martin Jacques, When China Rules the World: The End of the Western World and the Birth of a New Global Order. In Jacques’ view China will not only soon dominate Asia but will rapidly become a global hegemon and will likely reorder the international system in keeping with its sense of cultural superiority and its “hierarchical mentality.” Accordingly, the Chinese ascension will mark the end of Western exceptionalism as well the claim that the West represents universal values because “Chinese modernity will be very different from Western modernity” and, as a result, “transform the world more fundamentally than any other new global power in the last two centuries.” Like some great geopolitical black hole China will exert an irresistible gravitational force on other countries. “Size will enable China to set the terms of its relationships with other countries hitherto that has been limited by China’s level of development, but its gravitational power will grow exponentially in the future. China’s mass will oblige the rest of the “world largely to acquiesce in China’s way of doing things.

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99 Global Trends 2025, p. vi; Kevin Brown, “China and India Lead Asian Economic Rebound,” Financial Times, January 4, 2010; “Emerging Asian Economies: On the Rebound,” The Economist, August 15, 2009, pp. 69–72, although in “An Astonishing Rebound,” The Economist, August 15, 2009, p. 9, the editors warned that “it would be a big mistake if Asia’s recovery led its politicians to conclude that there was no need to change their exchange rate policies or adopt structural reforms to boost consumption.”

Moreover, China's size, combined with its remorseless transformation, means that time is constantly on its side.”

But, as Philip Stephens has pointed out, Jacques’ historical materialism suffers from “one convenient assumption” and “one big mistake.” The convenient assumption is that “if events turn out otherwise most people will have long forgotten the original hypothesis” and the big mistake is to “assume that the future can be mapped out in linear progression from the present” just as in the case of Japan in the 1990s. The straight-line projections of current rates of growth discount the potential for discontinuity and exogenous shocks to the system, such as the impact of unfavorable demographics, the costs and weight of environmental degradation, social unrest, political instability, and separatist violence on China’s continued economic expansion. As Philip Stephens and Minxin Pei both point out, projections like those of Goldman Sachs and Martin Jacques tend to resonate more in the West than they do in China.

Some of China’s effort to play down these assessments is related to Chinese awareness that the nation’s growing economic and military power raise concerns among its neighbors and in the United States. Chinese officials have been at pains to assure one and all that they have no aspirations of hegemony or dominion over other countries. In the mid-1990s China adjusted its policies to put greater emphasis on multilateralism to solve international problems and sought to improve relations with the major powers to prevent an anti-China coalition from forming. Efforts were also made to find ways to describe China’s policies in a non-threatening way, giving rise to the short-lived slogan affirming “China’s peaceful rise” which in time gave way to the even more colorless “China’s peaceful development.”

The sloganeering was accompanied by an increasing effort to abide by accepted

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101 The early concerns were expressed by Friedberg, “Ripe for Rivalry,” more relaxed assessments included Avery Goldstein, “Great Expectations: Interpreting China’s Arrival,” International Security, 22:3, pp. 36–73; Robert S. Ross, “The Geography of the Peace: East Asia in the 21st Century,” International Security, Vol. 23, No. 4, Spring 1999, pp. 81–118; Kang, “Getting Asia Wrong, “; Samuel P. Huntington, The Clash of Civilizations and the Remaking of World Order (New York: Simon and Shuster, 1996), pp. 312–313, 316, does not go quite as far as Jacques but does say “if it continues, the Rise of China and the increasing assertiveness of this biggest player in the history of man” will place tremendous stress on international stability in the early twenty-first century.” Huntington does offer policy prescription of accommodation in the form of his “abstention rule” that core states abstain from intervention in conflicts in other civilizations and the “joint mediation rule” that “core states negotiate with each other to contain or halt fault line wars between states or groups from their civilizations.” In this instance the United States and China would be the core states. Martin Jacques, When China Rules The World: The End of the Western World and the Birth of A New Global Order (New York: Penguin Press, 2009), pp. 431–433. In a claim for Chinese power that exceeds anything like what US critics of China have suggested he says that East Asian international relations could end up looking something like China’s traditional tributary system.

international norms for multilateral diplomacy and attempts to use economic assistance and shrewd outreach to win friends and influence governments. This veritable “charm offensive,” beginning in Southeast Asia but rapidly expanding to Africa and Latin America, demonstrated China’s ability to wield soft power. These exertions may have mitigated concerns about China’s developing power but they have not eliminated those concerns since ultimately China’s intentions and aims may become more expansive as its power increases.103

Whatever the potential long-term strategic benefit to China from these activities, it is important to note they grew out of and have co-existed with a profound sense that China needed a tranquil international environment in order to manage successfully the ongoing process of economic development. As Mark Leonard has noted, “China must be the most self-aware rising power in history” and the thing that Chinese leaders are most aware of is the weaknesses and contingencies of the country’s development. Perhaps the most astonishing achievement of all has been the fact that its economic reform, transition to a market economy and the take-off of growth all occurred within the framework of an authoritarian, one-party political system. After thirty years that system has survived and transformed into what Minxin Pei has labeled a “neo-Leninist regime” that “blends one-party rule and state control of key sectors of the economy with partial market norms and an end to self-imposed isolation from the world economy.”104

The understandable fixation by observers on the extraordinary record of growth since 1978 and the projections of Angus Maddison (who audaciously forecast China surpassing the United States in 2015 as the world’s largest economy), Dwight Perkins, and the Goldman Sachs analysts for continued and dramatic future growth “obscures the predatory characteristics of its neo-Leninist state. But Beijing’s brand of authoritarian politics is spawning a dangerous mix of crony capitalism, rampant corruption, and widening inequality.” The strong hold of


the state on the economy and the patronage relationships that link the party and state to major industries has generated massive waste and inefficiencies in the economy. Rising income inequality and arbitrary abuses of authority have created a combustible mix of socio-economic tension and unrest. Rising levels of social protest have become an everyday occurrence in China. The number of protests skyrocketed from 8,700 in 1993 to 87,000 in 2005 with roughly two hundred protests occurring on an average day. In the 1990s many of the incidents were labor protests connected to job losses, cuts in pay and benefits or pension issues. Increasingly in the past few years protests have been sparked by land confiscations and the ecological results of major infrastructure projects. Despite the robust economic recovery in 2009 (discussed above) the BBC reported at the end of the year that “China has seen more social conflict in 2009 than before.” According to a report of the Chinese Academy of Social Sciences (CASS) crime increased by 15 percent in 2009. Inequality between urban and rural dwellers has also increased. The report acknowledged that the phenomenal economic growth has come at “the expense of the rural population, the environment, and social cohesion.”

Susan Shirk has noted that “from the Communist Party leaders’ perch in Beijing, Chinese society looks like a cauldron boiling over with unrest. The leaders follow closely—and nervously—the increasing frequency, scale, and violence of protests throughout the country.” The continuation of the one-party neo-Leninist regime is not something one might have predicted twenty years ago given the Soviet experience of glasnost, perestroika, economic reform and collapse. The spectre of Soviet failure has, no doubt, haunted China’s leaders ever since the crackdown on the demonstrators in Tiananmen Square in 1989, and for good reason. Chinese leaders have been inclined to see the protest as a largely economic phenomenon that they can grow their way out of, but given China’s combustible social picture it is not at all clear that the leadership can continue this “astonishing high wire act.”

China’s road to power could easily be disrupted in any of the eight economic and social problems identified by a group of scholars in a RAND study. They include: aggravated unemployment and unrest from a slowdown in growth; increases in

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corruption; the impact of HIV/AIDS or other epidemics; struggles over water and environmental pollution between North China which has a deficit of water and South China which has a surplus; an energy price shock; a financial crisis triggered by non-performing loans on the books of China’s banks; or a reduction in the amount of foreign direct investment (FDI) flowing into the country. Any single one of these might reduce the growth rate; a combination of these disruptive events could cause serious economic problems that would compound extant social tensions. The financial system may be the “Achilles’ heel” since China’s immense stimulus package may be generating both excess liquidity and exacerbating an asset bubble. Environmental issues also loom large. China’s headlong pursuit of economic development has led to water shortages, deforestation and desertification, and extraordinary levels of air pollution in major cities. China now faces the health care consequences of the overall degradation of the environment.107

China’s demography, however, may present the country’s leaders with the most intractable issues. Much of China’s spectacular growth has resulted from reaping the benefit of the “demographic dividend” of an increase in the productive labor force which grew briskly for many years. This development coincided with the economic opening and reform policies of the late 1970s and early 1980s which set the course for China’s rapid rise. Chinese leaders, however, operating from a Malthusian perspective that stressed the importance of increased per capita GDP, imposed the One Child Policy, which Nicholas Eberstadt has dubbed “the mother of all social experiments in our modern era,” to stanch population growth. The consequences of that policy are now becoming apparent and they spell trouble for China’s ability to maintain that kind of high growth and social peace at home.108

In the next decade-and-a-half China’s population will stop growing and begin to decline. The proportion of elderly to working-age individuals will also shift, giving China a so-called “4–2–1” population structure in which one child will have to support two parents and four grandparents. The “graying” population raises the prospect of what Global Trends 2025 calls an “antique China.” More ominously, as Nicholas Eberstadt has observed, the aging of China’s population will happen “faster than what was recorded in the more developed regions over the past three decades and is exceeded only by Japan. There is a crucial difference, however,

Much of China’s spectacular growth has resulted from reaping the benefit of the “demographic dividend” of an increase in the productive labor force which grew briskly for many years.

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between Japan’s recent past and China’s prospective future. To put the matter bluntly, Japan became rich before it became old; China will do things the other way around.” The scale of this shift in the age distribution of China’s population is staggering. By the middle of the century there will be more than 300 million elderly in China and approximately 100 million of them will be over 80 years old.\footnote{Eberstadt, “Power and Population in Asia,”; Eberstadt, “China’s Family Planning Goes Awry,”; Global Trends 2025, pp. 25–26; Longman, The Empty Cradle, pp. 52–57; Jackson and Howe, The Graying of the Great Powers, pp. 170–173; the Goldman Sachs analysts discount the impact of this demographic shift and suggest that an easing of the one child policy (already informally underway in their view) will enable China to smoothly manage the coming changes in population. See “Will China Get Old Before It Gets Rich?” Goldman Sachs Global Economic Group, BRICs and Beyond (New York: Goldman Sachs, 2007), pp. 45–72, http://www2.goldmansachs.com/ideas/brics/book/BRIC-Full.pdf, accessed January 4, 2010.}

This demographic picture would be troubling enough under any circumstances, but China’s approaching demographic shifts will also intersect with a growing gender imbalance in the younger age cohorts of its population. As Nicholas Eberstadt has written, “Since the advent China’s One Child Policy, however, these biological norms have been smashed and the country’s gender balance has headed off in an eerie and utterly unfamiliar direction.” Normally the sex ratio at birth for populations is fairly balanced with a slightly larger number of boys than girls, roughly 104 boys for every 100 girls. Starting in the early 1980s in China a growing number of boys were being recorded and with the passage of time the gender imbalance has only grown. The imbalance appears to be a result of a cultural preference for boys, the dropping rate of fertility below replacement and the availability of technology that allows for sex-selective abortion (although female infanticide is also a problem that has contributed). The phenomenon is not unique to China; there are other parts of East Asia that also report high male-to-female sex ratios at birth, but it is most pronounced there. This has given rise to the phenomenon that has been described in China as the “bare branches”: a growing population of unmarried young bachelors with uncertain marriage prospects.\footnote{Eberstadt, “China’s Family Planning Goes Awry,”; Jackson and Howe, The Graying of the Great Powers, p. 172; Valerie M. Hudson and Andrea Den Boer, “A Surplus of Men, A Deficit of Peace: Security and Sex Ratios in Asia’s Largest States,” International Security, 26:4, pp. 5–38, the term comes from the Chinese phrase “indicating those male branches of a family tree that would never bear fruit because no marriage partner might be found for them.”}

The “bare sticks” or “bare branches” phenomenon is likely to generate between 29 million and 40 million surplus men by 2020. These young men are likely to be the disaffected, societal losers drawn overwhelmingly from the ranks of the rural and urban poor and prone to high levels of crime and violence. The implications for social unrest are speculative; Nicholas Eberstadt has likened the phenomenon to a science fiction story. The worry, however, for Chinese leaders is that, in keeping with the science fiction trope, the movie they may be about to see is “Back to the Future.” Scholars have suggested that the absence of social ties, an outcast
subculture and lack of a stake in the system will predispose many in this cohort to participate in “social banditry” as occurred in the nineteenth-century Nien rebellion. Today’s large floating populations of internal migrants would seem to provide the kindling for a similar social conflagration. This kind of banditry could get caught up in unpredictable ways with the many cleavages that divide Chinese society along rural/urban, inland/coastal and rich/poor lines. The nightmare scenario for the leadership would be for this kind of banditry to become intertwined in some way with the ethnic separatism that has appeared in Xinjiang and Tibet, to the regime’s dismay, in the past few years (although the gender imbalance has been much less pronounced in the western part of the country).  

The potential for a perfect storm of economic, demographic, and social unrest has led some observers to conjecture that China, far from being a rising power, is actually on the verge of collapse. Although the prospect seems farfetched in the context of current headlines about China’s relentless rise, the possibility cannot be discounted. China clearly has many of the pre-requisites for a demographically induced outbreak of intra-societal violence. That being said, from the point of view of US prosperity, Asian regional security and continued US primacy in the international system, a collapse of China might be a more difficult challenge to manage than China’s rise. That prospect was something President Bill Clinton acknowledged in 1999 when he said “as we focus on the potential challenge that a strong China could present to the United States in the future, let us not forget the risk of a weak China, beset by internal conflict, social dislocation and criminal activity; becoming a vast zone of instability in Asia."  

For the moment, however, the focus remains on a strong China, in particular because its economic advance has enabled it to amass significant and growing military capabilities. In fact, China announced that defense spending has grown dramatically over the last twenty years, doubling between 1989 and 1994 and doubling again over the next five years. The 2005 defense budget was an order of magnitude larger than at the time of Tiananmen Square. Defense expenditure in 2009 will likely represent a doubling from the 2005 level. Over the past twelve years the Chinese Defense Budget has grown 25 percent faster than the nation’s
GDP. What the PRC actually spends on defense is difficult to pinpoint with accuracy because Chinese defense budget accounting does not include many expenditures. There have been many attempts to estimate actual Chinese defense spending. Without reviewing that debate it is possible to say that most observers believe actual defense spending exceeds what the Chinese government reports. A matter of broad consensus is that the increased expenditures have enabled China to undertake an extensive military modernization effort.\textsuperscript{113}

Chinese military modernization was driven by a series of events that impressed upon Chinese military leaders that the multipolar world (and decline of US power) that they had anticipated after the Cold War was not coming to pass. The United States continued to maintain a huge military edge over other nations and was prepared to project power, including in East Asia, to the possible detriment of Chinese interests, particularly with regard to Taiwan. The first Gulf War, the 1995–96 Taiwan Strait Crisis, and the Kosovo War in 1999 (followed by the US interventions in Afghanistan and Iraq) gave added urgency to a sense among Chinese military leaders that they needed to develop capabilities to counter US dominance in the military domain.\textsuperscript{114}

A complete review of the Chinese military modernization and development program is beyond the scope of this paper, but in the context of a discussion of unipolarity and continued US primacy two things stand out. The first is that China has devoted an enormous amount of its defense effort to Taiwan, with a large buildup of short- and medium-range missiles opposite the island. In the first instance, China appears to be aiming at preventing Taiwan from pursuing formal independence. It seems that in contingencies that might involve the use of force China would seek to hold the United States naval and air forces at bay while it attempted to coerce Taipei to a quick resolution on China’s terms. In that regard China has made great strides in the past five years through a heavy investment in anti-access and area-denial (A2/AD) capabilities, especially quiet submarines, anti-ship cruise missile and ballistic missiles, and other weapons. A recent RAND study concludes, “China’s growing capabilities and the lack of basing options for US forces in the vicinity of the strait, call into question Washington’s ability to credibly serve as guarantor of Taiwan’s security in the future.” A recent account


\textsuperscript{114} The standard account of China’s military modernization is David Shambaugh, \textit{Modernizing China’s Military: Progress, Problems, and Prospects} (Berkeley, CA: University of California Press, 2002).
has suggested that a confrontation over Taiwan would pose the most serious danger of nuclear war since the Cuban Missile Crisis.\textsuperscript{115}

A second aspect of the defense modernization effort is that China is now developing capabilities that extend beyond a possible Taiwan contingency. China increasingly sees itself as a global player with global interests and as a result it has expanded its military reach beyond a focus on territorial defense and internal security to other domains like the oceans, space and cyberspace. These increased capabilities can be used to contribute to international peacekeeping and humanitarian operations, as China has done recently by participating in counter-piracy operations off the Horn of Africa, but they also could create a potentially destabilizing situation if used to enforce China’s interests at the expense of other regional countries or the United States. Chinese investment in space and cyber-space capabilities is particularly worrisome because it could provide a relatively inexpensive way for China to neutralize US advantages that derive from its use of those domains to maintain its military predominance.\textsuperscript{116}

China’s domestic difficulties and its military capabilities could become entangled in other ways. Popular nationalism has been on the rise in China for some time. As communism as an ideology has become hollowed out in the post-Tiananmen period, the Chinese Communist Party leadership has sought to legitimize its rule and to bind the people to the regime by stoking nationalism. Whether the regime can successfully ride the tiger of nationalism is another question. Many of China’s surplus males might easily be attracted to the kind of anti-American and anti-Japanese mob violence that broke out in 1999 and 2005. A particularly virulent form of “internet nationalism” was the undoing of China’s


“new thinking” about Japan earlier in the decade. The force of emotional nationalism could, in the proper circumstance, propel the regime into a series of miscalculations and a major confrontation over an issue like Taiwan. Such a conflict has also been cited as a possible obstacle to China’s unbroken economic growth.\textsuperscript{117}

Even if China experiences more obstacles to growth than described in \textit{Global Trends 2025}, it is clear that China will continue to be assertive, but it is hard to know exactly what form that new assertiveness will take. Some suggest that China’s increasing economic and military strength will drive a contest for power in the region and a long-term strategic competition with the United States. Others believe China’s increased interaction with multilateral institutions will help it integrate peacefully into the international system as a responsible stakeholder. At some level China’s leaders themselves may be uncertain about how the nation should conduct itself on the world stage. Much will depend on the ideas that China’s leadership develops about its global role. The increasing discussion of the “decline” of the United States, and the West more broadly, could have an impact on the attitudes that Chinese leaders will hold and the methods they will employ in accomplishing China’s international objectives.\textsuperscript{118}

With the onset of the financial crisis and the Great Recession many observers anticipated that China would seek to use its enormous economic leverage to influence the United States. Certainly Chinese leaders have hectored US officials about America’s fiscal profligacy and have raised questions about the prudence of the dollar serving as the international reserve currency. Some Chinese officials have proposed that the dollar be replaced by either the IMF’s Special Drawing Rights (SDR) basket of currencies and there have even been some suggestions that the Chinese Renminbi might replace the dollar. Nonetheless, a recent study suggests that China has not actually been able to use its financial leverage to compel US policymakers to change course in any discernible way. As for the dollar, the rumors of its passing appear to be premature. As Harvard economic historian Niall Ferguson has written, “for a currency whose demise economists have been predicting for the better part of a decade the dollar is in remarkably rude health.” The dollar has declined since those words were written, and it is clear that sound fiscal and monetary policies will be necessary to keep the dollar healthy, but for a number of economic, political and technical reasons the dollar does not seem likely to be replaced anytime soon. As Luo Ping, a director-general of the Chinese Banking Regulatory Commission observed in February 2009, “except for U.S.


\textsuperscript{118} Jeffrey Legro, “What China Will Want: The Future Intentions of a Rising Power,” \textit{Perspectives on Politics}, 5, pp. 515–534; the term “responsible stakeholder,” was first used by then Deputy Secretary of State (new World Bank President) Robert Zoellick and has become standard usage.
Treasuries, what can you hold? Gold? You don’t hold Japanese government bonds or UK bonds. U.S. Treasuries are the safe haven... We hate you guys... but there is not much we can do.  

China flexed its diplomatic muscle at the Copenhagen Climate Change Conference and played an obstructive role, but if China is to mount a real challenge to unipolarity it is more likely to be in the area of Asian regional security. In that sense perhaps the most likely outcome of China’s rise is that it will contest US regional dominance, rather than compete as a peer at the global level. China will have, as we have seen, more tools at its disposal to wage this competition and the United States will be more constrained by its own economic and financial limitations as well as by China’s asymmetric advantages in geography and some areas of military capability. This will put a greater premium on America’s ability to maintain and make the best of its traditional alliances with Japan and South Korea but also to develop better ties with India, Indonesia and Vietnam while it also seeks to increase value from its existing alliance with Australia. In that regard it is likely that Asia will have, as Aaron Friedberg has suggested, a bipolar US-China aspect to its international relations, but it is likely that a less dominant United States will need to buttress the balance of power in the region with a revamped maritime strategy and alliance portfolio.

Perhaps the most likely outcome of China’s rise is that it will contest US regional dominance, rather than compete as a peer at the global level.

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ASSESSMENT WRAP-UP

Much of the discussion of national power and the contemporary rise or decline of nations has tended to have a one-dimensional focus. The Goldman Sachs analysis of the BRICs, for example, has tended to focus on their potential for economic growth. Others have tended to focus on other possible measures of national strength, such as development of information technology or soft power. But national power is clearly multidimensional and dynamic. Straight-line projections of economic growth have, in the past, misled observers about which countries might be global competitors, Japan being the prime example.

All the countries we have considered have strengths and the potential to increase their power, but all of them are also certain to face serious problems. The striking thing about the period of unipolarity is that it has been based on a singular fact: the United States is the first leading state in modern international history with decisive preponderance in all the underlying components of power: economic, military, technological and geopolitical. Although during the Cold War the Soviet Union presented mostly a military and ideological threat, in the current globalized international environment a global peer competitor would probably need to have strengths across all or most of the material elements of national power. In addition to those traditional elements there are the intangible elements of national morale and spirit that Morgenthau identified.

In surveying Europe, Japan and the BRICs, it is striking that all of them, with the possible exception of Brazil, will have to confront very serious demographic challenges in the not-too-distant future. Since Europe, Japan, Russia and China will be suffering to various degrees from a birth dearth it is particularly noteworthy that all of them will be hard put to absorb and assimilate immigrant populations; in any event those populations are not likely to provide the kind of skilled workers needed to power a modern economy. Pro-natalist policies are also unlikely to help remedy these problems if history provides any yardstick. India and China, the two rising powers in Asia, and Brazil in the Western Hemisphere, will all have to manage the difficulties of large impoverished populations and establishing a social safety net where none now exists.

With the possible exception of Brazil, all the other powers face serious internal and external security challenges. Europe has an internal problem of integrating large populations of Muslim immigrants, and a petulant, momentarily resurgent, and occasionally aggressive Russian neighbor. Russia has restive Muslim minorities and persistent turbulence (both internal and external) along its southern periphery. Although Sino-Russian relations are relatively tranquil for the moment the demographic imbalance in the Russian Far East, where much of Russia's mineral and hydrocarbon wealth is located, seems tailor-made for possible conflict in the future.
Japan, with its economic and demographic challenges, is also confronted with a de facto nuclear-armed failing state (the DPRK) nearby and must also cast an uneasy glance at a rising China. India has domestic violence, insurgencies in bordering countries (Nepal and Bangladesh) and a persistent security dilemma with respect to China. The PRC, for its part, is preoccupied with its internal economic development, demographic challenges, and separatist forces in the west and southwest, in addition to the “break-away province” of Taiwan. Unforeseen developments in any of these areas could knock any of the countries under consideration seriously off track. The demographic challenges will be particularly acute for Europe, Japan, and Russia in the areas of military manpower and economic growth. The results will either diminish overall military strength or, in the case of Russia, impose a greater reliance on nuclear weapons.

China, India, Brazil and Russia all suffer from significant regional disparities that have led, or could lead, to social unrest and political instability. Europe faces the challenge of incorporating the new members of the European Union into its institutional structures against a backdrop of a major economic slump.

The information revolution will create significant political challenges for the authoritarian states (Russia and China). The recent issues with Google are just the most visible manifestation of the problems that China has with allowing the free flow of information. None of the rising powers seems likely to offer an attractive model to a large number of countries in the way the United States does, although China’s authoritarian route to greater prosperity may, for the moment, have some appeal for a limited number of countries.

The range of uncertainty with which all of these countries must deal in the years ahead would appear daunting in the best of times, but the backdrop is a global recession that has triggered the deepest economic downturn in over seventy years. Asia, led by China’s rapid growth, currently seems to be recovering smartly from the Great Recession of 2008. Whether or not this growth is sustainable remains an open question. With all of the problems and uncertainties that the emerging economies face and the enormous challenges that bedevil the developed world in Europe and Japan, only one thing seems certain: events will drive international economics and politics in directions that no one now anticipates and the certainties about rising and falling powers are likely to be knocked askew by a fickle and unpredictable fate.
As global wealth and power flow to Asia, even if it does not occur as quickly and completely as some boosters maintain, America’s margin of superiority will decline to some degree. Whether the international system moves toward a multipolar world, as forecast by *Global Trends 2025*, however, will depend to a large degree on how people perceive the relative shifts in power and how they choose to act on those perceptions. According to a recent NBC/Wall Street Journal Poll 61 percent of Americans agree that the country is in decline, although it appears that concerns about US decline have been fairly consistent across time. For instance, 63 percent believed the United States was declining in 1991 just as the country was poised for the unipolar era. Views of which country will be dominant twenty years hence have changed more dramatically. The NBC/Wall Street Journal poll reports that 39 percent of respondents believe that country will be China compared to 9 percent who expressed that view in 1997 and 3 percent in 1995.

It is perhaps understandable that the view of America in decline would be so widespread. The Global Recession, the low standing of the United States in world opinion, the public fatigue with the wars in Iraq and Afghanistan, and, of course, the publication of *Global Trends 2025* itself have contributed to the public’s conclusion that the United States’ waning is in the offing and that the nation will be supplanted by a rising China. But as Adrian Wooldridge, *The Economist*’s Washington editor has noted, “we should guard against substituting irrational pessimism for irrational exuberance. Yes, America will face competition from developing countries and deepening European Union. But it brings great resources to the fight. China’s authoritarian regime is brittle... America will be spared the

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121 The poll was reported by Peter Wallsten in the Wall Street Journal, December 17, 2009. The poll, conducted by pollsters Peter Hart and Bill McInturr can be found at http://online.wsj.com/public/resources/documents/WSJ_NBCpoll121609.pdf, pp. 12–13, accessed on January 5, 2010.
demographic disasters awaiting Europe and China, thanks to its high birth rate and genius for absorbing newcomers.”

Our earlier discussion of the Chinese concept of Comprehensive National Power (CNP) suggests an interesting question: Is US CNP declining? Most Chinese calculations appear to have the United States still on top, but with China making rapid progress in closing the gap, and likely surpassing the United States, perhaps sooner than some had thought a few years ago. But the Chinese have had to recalibrate their calculations in the past to take into account US strengths that had not been given sufficient weight. Perhaps that is why a recent examination of Chinese writings on the subject reports that “many experts also caution that the transition to multipolarity will be a prolonged process, and that for the foreseeable future the United States will maintain its position at the helm of the international structure of power. Only a minority of experts view the United States as already in decline and the world on the cusp of becoming truly multipolar.”

A brief review of some underappreciated and enduring US strengths might also suggest that an end to unipolarity and US primacy are not pre-determined. Much will depend on how well the United States as a nation is capable of mobilizing its residual strengths and managing the policy challenges it is facing. Those strengths include its attractive social and political model, abundance of natural resources, flexible and adaptable market economy, openness to innovation, demographic comparative advantages and historically demonstrated resilience in recovering from economic reverses.

Hans Morgenthau, in his survey of the elements of national power, identified those that are relatively stable and those that are in flux. The stable factors were geography and natural resources. America’s geographic position is fixed and has been a persistent source of strength. As Huntington noted twenty years ago, US power “flows from its structural position in world politics... geographically distant from most major areas of world conflict” as well as from “being involved in a historically uniquely diversified network of alliances.” The nervousness that China’s rise, peaceful or otherwise, evokes in its neighbors enhances the value of America’s locational advantage by enabling the United States to play the role of outside or “off-shore” balancer in Asia.

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Notwithstanding the criticism of America's alleged unilateralism in the Bush years it is generally acknowledged that US relations with its Asian allies have been strong, and in some cases closer than they have ever been. Common concerns over the DPRK's development of nuclear weapons have allowed the United States to enhance its alliance relationships with both South Korea and Japan (the current difficulties with the latter may well be a function of a new and inexperienced government and not a harbinger of a more far-reaching divergence between allies). The transfer of power from John Howard to Kevin Rudd in Australia did nothing to disturb the increasingly close US-Australian partnership, and relations with India, Indonesia and Vietnam have all improved markedly over the past few years. Despite China's "charm offensive" to increase its soft power and influence, it will take more than that to offset the United States' structural advantage in Asia. Asian leaders, in response to the "new, sometimes intimidating triumphalism emerging from Beijing," have been urging President Obama to maintain America's position in Asia.125

Natural resources are another area of enduring advantage for the United States. First, the United States is a major food producer and exporter. The US food industry is the largest in the world, representing almost 13 per cent of GDP. It is the second largest employer in the nation after the federal government. America's farmers and producers have never been more efficient or productive than they are today. Agriculture has been "a bastion of American competitiveness" even as other US industries have faced devastating international competition. US agriculture represents 10 percent of US exports and accounts for about 20 percent of the global market for agricultural products. Agriculture has played a prominent part in American grand strategy since the time of the Founders when Thomas Paine announced that the United States could stand against Britain's power because US food products "are the necessaries of life, and will always have a market while eating is the custom" abroad.126


Energy resources are another advantage. The media have lavished a great deal of attention on the United States’ dependency on imported oil, a true strategic liability, but they have neglected coal and gas resources. In fact, the United States (combined with Canada) trails only the Middle East in the wealth of its energy resources. The United States holds the world’s largest proven reserves of coal, almost 250 billion tons, and ninety years’ worth of natural gas. That is not to mention discoveries of shale oil deposits in the Green River formation found in Utah, Wyoming and Colorado. Although the total recoverable amount of shale oil is unknown, a recent RAND study suggests that the mid-range of estimates would amount to three times the known oil reserves of the Kingdom of Saudi Arabia. Over the long run, if oil prices stay high, this could be a critical source of potential competitive advantage with China whose energy dependency is a key vulnerability. Much, of course, will depend on the impact that the pending cap and trade legislation has on the United States’ ability to capitalize on these resources. 127

Whether the unipolar world endures will depend, to a large degree, on how the recovery from the Great Recession proceeds. A so-called U- or V-shaped recovery (i.e. relatively quick) could have a relatively slight impact on the global distribution of wealth or economic power. A double dip or W-shaped recovery could be more destabilizing, and an L-shaped or lengthy, slow recovery, along the lines of the decade-plus period of economic stagnation that Japan has experienced, could increase protectionist pressures and threaten the process of globalization. In that scenario it is unclear, however, that the United States would be a bigger relative loser than others, especially China. 128

Industrial capacity is an area where the decline of the US manufacturing sector has been seen as a surrogate for broader US decline. The United States’ transition to a post-industrial, information-technology-oriented and heavily financialized economy was an important part of avoiding the predictions of “imperial overstretch” in the 1990s. In the wake of the Great Recession the post-industrial transition is seen as perhaps an Achilles’ heel of the US economy. These views probably underestimate a few factors that should help the United States navigate the current transition from the first unipolar era to whatever follows it.

Morgenthau talks about national morale and character as key elements of national power; characteristics that don’t normally weigh heavily in declinist


literature which favors the easily quantifiable measures such as national shares of global economic product. As Robert Lieber has recently argued, US resilience, which results from the openness of American society and its resulting flexibility and adaptability, will benefit the United States as it responds to the Great Recession and the prospect of national decline. In that regard the often-criticized American “capitalisme sauvage,” which many foreign critics blame for producing the economic crisis, may assist the United States in recovering more quickly than others. As a recent *Economist* survey of business in America noted, the Schumpeterian process of “creative destruction” means that “America’s non-financial businesses are suffering. But they will emerge from the recession leaner and stronger than ever.” Niall Ferguson predicts that “when the crisis ends, America will still be the best place in the world to do business.” That is fully consistent with the findings of the recently released third annual Legatum Institute Prosperity Index which rated the United States number one in the world for innovation and entrepreneurship and found that “the ability of a nation’s people to innovate is more strongly related to the soundness of its economy than any other factor.”

Openness to innovation may also play an important role in extending the United States’ leading role in the international economy. Some scholars believe that innovation is the key to countries emerging as system leaders in sectors that power long waves of economic activity and growth. Failure to maintain system leadership in these sectors is a key cause of decline. Twenty years ago William R. Thompson observed “a key, if not the key to the relative economic decline of the United States will be what happens in the next upturn of the leading sector long wave. This assumes that there will be an upturn and that the long wave dynamic will continue into the twenty-first century when biotechnology, computers, robotics, lasers, and new sources of energy may well lay the leading sector foundation for the upswing.” US leadership and facility with information technology has been one of the drivers of US increased productivity in the past twenty years. A study by the London School of Economics has demonstrated that, as its title declares, “Americans do I.T. better.” US-owned UK subsidiaries, for example, use information technology better than non-US owned UK firms because they are organized to use IT more efficiently. This offers yet another strategic advantage

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Another factor that may propel the United States to a more rapid recovery is the so-called “American creed,” the term coined by Samuel Huntington, which includes a very heavy dose of hostility to the role of the state in the economy. This anti-statist tradition is something that Huntington believed made the United States less threatening to other countries. In the current context it also speaks to the relative size of the government’s role in the marketplace. The US government, as part of the response to the financial crisis in 2008, has taken a leading role in the auto, insurance and banking industries because of the various financial bailouts. The public response, as one would predict based on American anti-statism, has been increasingly skeptical. Americans disapprove of the bailouts. Despite speculation that the crisis would dampen enthusiasm for the market-driven economy, a recent poll shows 76 percent of Americans support a free-market economy, a six point increase from a year ago. As Aaron Friedberg has observed, “some of the appendages to the state that sprout in a crisis may live on, but the persistence of underlying anti-statist attitudes ensures that they will eventually be subject to impassioned efforts to cut them back or to excise them altogether.” Even liberal figures like Robert Reich believe that there will be less reliance on “regulations that limit or replace free market transactions and more on incentives that push markets to address public needs.” The result will likely be a less intrusive government role in the economy than in other countries where the tradition of a powerful state is stronger. A larger private sector will continue to provide entrepreneurs and innovators the scope to prolong America’s leading sector primacy.\footnote{Huntington, “The U.S.—Decline or Renewal,” p. 91; Aaron Friedberg, \textit{In The Shadow of the Garrison State: America’s Anti-Statism and its Cold War Grand Strategy} (Princeton, NJ: Princeton University Press, 2000), p. 32. An excellent account of anti-statism can be found pp. 9–33; Robert B. Reich, “Government in Your Business,” \textit{Harvard Business Review}, July–August 2009, pp. 94–99, quotation on page 97.}

An additional, and extremely important, long-term factor underpinning likely continued US global economic leadership is demographics. The US fertility rates are among the highest in the developed world and are virtually at replacement. In addition, the United States also assimilates immigrants without getting “cultural indigestion.” Mark Haas has noted that
although the United States is growing older, it is doing so to a lesser extent and less quickly than all the other great powers. Consequently, the economic and fiscal costs for the United States created by social aging (although staggering, especially for health care) will be significantly lower for it than for potential competitors. Global aging is therefore not only likely to extend U.S. hegemony (because the other major powers will lack the resources necessary to overtake the United States’ economic and military power lead), but deepen it as these other states are likely to fall even farther behind the United States."

With a growing population that will be more youthful than other developed countries (or China) the United States would appear to be in a favorable position. As Nicholas Eberstadt has noted “if the American moment passes, or U.S. power in other ways declines, it won’t be because of demography." Coupled with favorable internal demographic trends, immigration serves as a constant source of renewed American power.

One could also add to the long list of US advantages the political and social stability that has made it the safe haven for global investors. None of these advantages, however, including the United States’ military power, mean that the United States is destined to remain the preponderant power or that unipolarity will continue to characterize the international system indefinitely. Bad policy decisions in a number of areas could negate or squander US advantages. In addition the United States faces many of its own challenges. Despite its demographic health the United States will have to meet the unfunded pension liabilities represented by the aging of the baby boom generation. Although the US educational system at the university level remains world-class, there are worrisome weaknesses in science, mathematical, technical and engineering education. The US budget deficit threatens the nation’s long-term financial health and prospective debt service obligations could crowd out other spending, including costs for future defense needs. Many US military advantages may become a “wasting asset.”

The nation’s standing has also suffered from the mismanagement of the wars in Iraq and Afghanistan. Iran may soon have a nuclear capability, despite repeated statements by several presidents that a nuclear Iran would be unacceptable. This development would potentially inflict even more reputational damage on the United States. The global commons, which have been a linchpin of US primacy, will face new challenges as China develops greater capabilities in space and

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cyberspace to offset US superiority in other military domains. Power is clearly diffusing in the international system. Without a concerted effort by the United States, the international system could move in the direction of nonpolarity or apolarity with no nation clearly playing a leading role in trying to organize the international system. The result would be a vacuum of leadership unable to manage the plethora of contemporary problems besetting the world like terrorism, nuclear proliferation, ethnic and sectarian wars, humanitarian disasters, crime, narcotics trafficking, pandemic disease and global climate change to name just a few.

If the United States accepts the diagnosis of “decline” and seeks to accommodate itself to rising powers, it will likely hasten the timing of that decline and the passing of American primacy much as Britain did at the end of the nineteenth and beginning of the twentieth centuries. One big difference is that Britain was able to appease the United States, despite the uncertainty that such a policy would succeed, because of a shared cultural inheritance and, to paraphrase Churchill, division by a common language. If US leaders choose to continue the path that earlier generations of leaders have blazed in seeking to preserve the US position as the preponderant power, they will have to build on the advantages described above to bolster and extend US predominance.
WHAT WILL IT TAKE TO MAINTAIN AMERICAN PRIMACY?

One measure of the relative standing of nations is to consider the question: “Whose problems would you rather have?” After the survey above, a reasonable person might conclude that, as great as the challenges are for the United States, the other potential powers face even more difficult and intractable problems. As an example, the United States has a long-term problem managing budget entitlements, but its healthy demographics would appear to make it a question of will and political leadership rather than the more fundamental problem of building a social safety net where none exists. Similarly, the United States, despite its difficulties in Iraq and Afghanistan and possibly eroding military advantages, will remain the only country in the world able to project power across the globe for some time to come.

Notwithstanding the prediction of Global Trends 2025 that the world is moving toward multipolarity, it seems likely that US predominance could continue in a unipolar system, albeit one where US hegemony is less clear than it was in the 1990s. In this iteration, however, American primacy will be more constrained by US domestic and international economic limitations and more contested by regional powers. China will pose the biggest challenge in Asia, but potential new nuclear powers like Iran and North Korea will also create difficult questions about US extended deterrence in Northeast Asia and Southwest Asia. Other troublesome challengers may arise, including Venezuela in the Western Hemisphere (particularly if it aligns with a nuclear-armed Iran). The overwhelming focus on the BRICs in the declinist literature has tended to divert attention from the fact
that the proliferation of nuclear weapons has the greatest potential to pose an early challenge to continued US primacy.\textsuperscript{134}

As Charles Krauthammer has written, “decline is a choice,” and can be avoided if the United States government takes some basic steps. The first is to get America’s house in order. The fiscal health of the American state will be a pre-requisite for maintaining the dollar as the international reserve currency and providing the United States with the resultant economic and political advantages. US economic and social policies should be crafted to accentuate our national strengths and especially continue to take the steps necessary to preserve a society and economy that are hospitable to entrepreneurship and innovation. This means dealing with chronic budget deficits, reforming entitlements, getting the federal government hand out of the auto, insurance and banking industries as quickly as possible, boosting the United States savings rate, transforming primary and secondary education, and using immigration as an opportunity to improve US human capital. American society has been characterized historically by resilience in confronting and overcoming obstacles to progress and economic growth. In order to improve the chances of addressing the many issues facing the United States and unleashing America’s recuperative capacities, it would be good to end the immobilizing hyper-partisan political environment and modernize America’s archaic system of congressional committee jurisdictions that impede broad strategic approaches to dealing with national security challenges.\textsuperscript{135}

Second, the United States will need to meet the reputational challenges it faces head on. The war in Iraq, although mismanaged in the years after major combat operations ended in 2003, seems headed in a direction that will allow the United States to depart with a realistic prospect that an Iraqi government, with a reasonable amount of pluralism and capability, will be able to manage Iraq’s affairs. That outcome may also require development of a stronger partnership with Iraq both to help it meet the serious internal challenges it will face, but also to help manage the possible challenge of a nuclear-armed Iran. If Iran develops a nuclear weapon, in the face of repeated US leadership statements that doing so is unacceptable, it will inflict a reputational cost on the United States that will enor-mously complicate US leadership and broad acceptance of a continued unipolar world. In the first instance those costs will hamper US efforts to build a security structure to contain Iranian influence in the region, and possibly beyond.

\textsuperscript{134} David Wilkinson, “Unipolarity without Hegemony,” \textit{International Studies Review}, 1:2, pp. 141–172; \textit{Global Trends 2025} makes glancing references to the nuclear weapons issues, see pp. ix, x, 61–62, 67–68, but rates the use of nuclear weapons in the next twenty years as a low probability. This seems to take a very optimistic view of any possible proliferation cascade in the Middle East if Iran gets a nuclear weapon.

Similarly, a setback in Afghanistan would be enormously empowering to jihadists everywhere in the world, but would also inflict enormous reputational damage on the United States (as the perception of US failure in Iraq in 2003–2006 did). Failure after the president had recommitted the United States to succeed in Afghanistan would support the notion that America was incapable of capitalizing on its military power and advantages (including the development of an extremely capable force for conducting counterinsurgency operations). It would make dealing with potential problems in Pakistan, Yemen and Somalia (to name a few places) enormously harder.

The United States must be prepared to continue to defend the commons. We have noted earlier that the control of the global commons has been a source of US primacy and also a global public good that supported general acceptance of the unipolar world order. The difficulty in the second unipolar era is that the commons now extends to cyberspace as well as outer space. Both of those domains are increasingly under challenge and the PRC’s naval buildup will place strains on US dominance in the maritime domain as the size of the US Navy continues to shrink. The Department of Defense is aware of the scope of the challenge (if somewhat reluctant to name China as the chief threat to the commons) and has addressed it in the Quadrennial Defense Review. Both the QDR and a subsequent review by a Congressionally-mandated Independent Panel have stressed that the nation will have to invest in the capabilities and alliances required to maintain the global commons.\textsuperscript{136}

Perhaps most important, the decline in the margin of US dominance and the emergence of challengers at the regional level will make US alliances and alliance management central concerns for US policymakers in a way that they have not been since the end of the Cold War. After the Cold War, the routine of alliance meetings and summits continued and made some real contributions to enhancing regional security. The enlargement of NATO offers one example, but for many of the reasons outlined above the traditional alliances the United States has maintained will provide less opportunity for the United States to aggregate power on behalf of common interests in the future. There are several reasons for this. One is that the European allies and Japan will be hard pressed, due to demographic, economic and cultural reasons, to generate substantial useful military capability. Another is that our agendas with allies are at times at odds with cross-cutting regional and global issues. Sorting these conflicts out and coming to common understandings with allies (particularly on security issues outside the immediate theater or region) will be difficult. Nonetheless, we have not reached

the “end of alliances.” Alliance relationships and structures provide advantages to the United States politically and provide an important legitimating function for US policies. Developing more efficient mechanisms for managing the traditional alliances, with an explicit understanding of the limits of those alliances, would seem to be a major requirement and objective.\footnote{Rajan Menon, \textit{The End of Alliances} (New York, Oxford University Press, 2007); Kurt Campbell, “The End of Alliances: Not So Fast,” \textit{The Washington Quarterly}, 27:2, pp. 151–163.}

Beyond improvements in the management of our traditional treaty-based and informal alliances, the United States needs to look seriously at the shape of its alliance portfolio with an eye to developing relationships with countries that might contribute greater capability and utility than the traditional allies. We have seen that India is perhaps the single most important candidate for partnership or alliance with the United States. In the Western Hemisphere, Brazil may also be able to play a valuable regional stabilizing role in collaboration with the United States. Are there other countries that might add value or increase the value they are already providing through their security relationships with the United States? The US-Australian relationship is a traditional alliance relationship that has, under the pressure of the War on Terror, grown closer and deeper. It would seem that there is potential for even more cooperation on security issues with Australia. The role of traditional US “special relationships” with countries like the United Kingdom and Israel in a second unipolar era will also require rethinking. The development of nuclear-armed Iran would force a re-examination of US relationships with Egypt, Saudi Arabia and the Gulf States as well.

If we are, indeed, headed toward a continued, but more contested, unipolar world, what will come next? The preceding review suggests that America’s measure of dominance may be declining, but that it will remain the most powerful actor in the international system for some time to come. If US power continues to decline relative to others then we are likely to see the emergence of something that looks more like multipolarity or non-polarity. If, on the other hand, America experiences a period of renewal, as the anti-declinists suggest is likely based on past experience, and other possible competitors are driven off course by unexpected domestic or international events, then we may well see a second unipolar era emerge.

The possibility of avoiding multipolarity or non-polarity clearly exists. It requires resolve to maintain the United States’ role as the “indispensable nation” and a strategy for doing so. At the dawn of the first unipolar era there was an effort at the Pentagon to think explicitly about a strategy for extending US predominance in the international system. Although the document that resulted, the 1992 Defense Planning Guidance, became the subject of much misplaced criticism and controversy, its main outline became the de facto bipartisan strategy that underpinned the unipolar “moment” that against most expectations stretched into an
era. If the United States is going to successfully manage the challenges of contested primacy the moment to begin the debate on the strategy that will carry US power and alliances forward in the twenty-first century is now.