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FOREIGN POLICY BEGINS AT HOME

The Case for Putting America's House in Order

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BASIC BOOKS

Brave New World

This is not our grandfather's world dominated by the United States, the Soviet Union, Western Europe, and Japan. Nor is it a world dominated by one superpower, as it was by the United States in the aftermath of the Cold War. The paramount feature of international relations in the first half of the twenty-first century is nonpolarity. The world will be influenced by dozens of states and other entities possessing and exercising military, economic, diplomatic, and cultural power—power that is diffused, making it more difficult to fashion and maintain international order.

What makes this era different from those that came before it is the number of actors in the world that have real impact. In addition to the major countries or clusters of countries (the United States, China, European Union, Russia, Japan, and India) are numerous regional powers, including Brazil (which in many ways is already a seventh major country) along with Chile, Argentina, Venezuela, and Mexico in Latin America; South Africa and Nigeria in Africa; Egypt, Iran, Israel, and Saudi Arabia in the Middle East; and Pakistan, Australia, Indonesia, South Korea, and arguably others in Asia. Within Europe,

such countries as Germany, Great Britain, France, Turkey, Italy, and Poland stand out. Add to the mix those countries (often blessed with massive energy resources) that are accumulating enormous amounts of foreign exchange; which is to say, sovereign wealth. A good many organizations would be on the list, including those that are global (the UN, International Monetary Fund, World Bank), regional (the Organization of American States, the African Union, the EU, NATO, the Association of Southeast Asian Nations, the Arab League, and many others) and functional (including OPEC, the World Health Organization, the International Energy Agency, and the Shanghai Cooperation Organization). So, too, would be state governments (California in the United States, Uttar Pradesh in India) and cities (New York, Shanghai, São Paulo). Then there are the large global companies, such as JPMorgan Chase, Exxon Mobil, Apple, and Caterpillar, which dominate the worlds of finance, energy, technology, and manufacturing. Others deserving inclusion would be global media outlets (BBC, CNN, Al-Jazeera), militias (Hezbollah, Hamas), political parties, religious institutions and movements, terrorist organizations such as al-Qaeda, drug cartels, and nongovernmental organizations (NGOs) of a more benign sort—the Gates Foundation, Doctors Without Borders, Greenpeace, and Conservation International. Clearly, these countries and organizations do not possess the same kind or equal amounts of influence. But what distinguishes this era is the sheer number and variety of entities with global reach.

Many of those with influence are not nation-states. Indeed, one of the cardinal features of the contemporary international system is that nation-states have lost their monopoly and, in some domains, their preeminence. States are being challenged from above by regional and global organizations, from below by militias, cartels, and the like, and from the side by NGOS and

corporations. Power is also dispersed in networks, markets, and exchanges, financial and otherwise.

Two factors—globalization and technology—contribute to nonpolarity. Globalization's central effect is to increase the volume, velocity, and importance of flows within and across borders of just about everything, including people, ideas, e-mails, greenhouse gases, viruses (computer and real), drugs, dollars, manufactured goods, television and radio signals, weapons, and a good deal else. Globalization is a defining feature of this era, differentiating this period from previous ones. It is a reality, not a choice. Our choice is how governments and other entities react to it.

Globalization reinforces nonpolarity in important ways. Many cross-border flows take place outside the control or even knowledge of governments. By definition, then, globalization dilutes the control of authorities of all countries. Second, these same flows often strengthen the capacities of many actors, be they energy exporters (which are experiencing a dramatic increase in wealth, owing to transfers from importers), terrorists (who use the Internet to recruit and train, the banking system to move resources, and the transport system to move people), outlaw or rogue states (which can exploit black and gray markets) or Fortune 500 firms (which quickly move personnel, investments, and instructions). It is easier than ever before for individuals and groups to accumulate and project substantial power.

The world is now experiencing a surprising growth of nationalism: Surprising, because nationalism was in many ways a central dynamic of the nineteenth and twentieth centuries; that it had largely been satisfied through widespread statehood or overtaken by regionalization and globalization was easy to assume. But the lure of statehood still exists for many of those

minorities who do not have a country of their own. What is more, nationalism is making something of a comeback as the ability of existing governments and regional and global organizations to satisfy the desires of citizens comes up short. We are seeing signs of exactly this throughout the world: In Europe, national governments are often resisting the preferences of Brussels at a time when several of these same governments must contend with separatist movements within their borders; in China, popular pressures are increasingly driving and constraining the foreign policy of the government; in the Middle East and Europe, the resurgence of nationalism not only increases the potential for conflict between states but is leading to demands to create new ones. Nationalism also remains strong in the United States. Anyone doubting this need only consider the frequent references to American exceptionalism and the widespread mistrust of multilateralism and international institutions.

The other factor that reinforces the diffusion of power is technology. George Orwell's vision of the year 1984, with societies centrally controlled, could hardly have been more wrong. The hallmark of modern technology is decentralization. More computing power can now be held on a desktop or in a person's hand in the form of a smart phone or tablet than could be gathered in a room only a generation ago. Individuals and groups are empowered as never before.

People everywhere now have more access to more sources of information; it is harder and harder for governments to control, much less monopolize, its flow. The number of radio and television options has exploded, thanks to satellites and cable. Worldwide, there are some six billion cell phone subscribers; more than 100 million tablets of one sort or another are being produced and purchased each year; and one of every three people is now using the Internet.[1] Whatever their locale,

individuals have a growing ability through mobile phones and social networking to communicate directly and discreetly with one another. A consequence of this trend is that it is more difficult for authoritarian governments to exert control over their citizens. The advance of technology is one explanation for the uprisings taking place in much of the Arab world. But modern technology has implications even for well-established democracies. It is far more difficult to generate consensus and to govern in a world in which citizens have a wide range of choice when it comes to what they read, watch, listen to, and with whom they talk. Lack of consensus at home tends to make it more difficult for leaders to do what is often necessary, including compromise and committing resources, to cooperate abroad.

Nonpolarity will make it more difficult for the United States to fashion collective responses to regional and global challenges. With so many more actors possessing meaningful power and trying to assert influence, it will be more difficult to build consensus and make institutions work. In general, the more decision makers, the more difficult to make decisions. It is not simply that herding dozens is harder than herding a few; it is also that greater numbers make it far more likely that important actors may actively oppose what others do or want. The inability to reach agreement in the Doha round of global trade talks, or in various settings meant to address global climate change, are telling examples of just this.

Nonpolarity also increases the number of threats and sources of vulnerability to a country such as the United States, given its many global ties and transactions as well as its intrinsic openness. These threats can take the form of rogue states, terrorist groups, energy producers that choose to reduce their output, or central banks that, by what they do and fail to do, can create conditions affecting the strength of the dollar.

Iran is another case in point. Its progress toward becoming a nuclear power both reflects and reinforces nonpolarity. Thanks to the surge in oil prices and the removal of Iraq as a balancer, Iran has become a potent actor, one able to exert influence in Iraq, Lebanon, Syria, the Palestinian territories, and beyond. It has many sources of technology and finance, and numerous markets for its energy exports. Iran also underscores nonpolarity in that the United States alone cannot manage it but, to the contrary, is dependent upon others to support political and economic sanctions or block Iranian access to nuclear technology and materials.

This discussion is not meant to be fatalistic. Nonpolarity is inevitable, but its character is not. A great deal can and should be done to shape a nonpolar world. That said, order will not just emerge. Rather, left to its own devices, a nonpolar world will become messier and more violent over time. Think entropy, in which systems consisting of a large number of actors tend toward greater randomness and disorder absent concerted external intervention.[2]

American Primacy

Lost in the emotionally laden territory between "We're number one" and "We've lost it" is a country that still matters far more than any other. Even as the number of contenders has multiplied, and despite the reality that the United States no longer dominates as it once did, it remains, by most relevant measures, the most powerful and influential force in the world.[1] Appreciating the implications of this difference between being "the world's only superpower" and "first among unequals" is crucial.

The United States boasts the world's greatest economy; its annual GDP of $16 trillion is one-fourth of global economic output. This compares to $7 trillion for China and $6 trillion for Japan. Per capita GDP in the United States is close to $50,000, some nine times that of China.

The United States possesses the world's most capable military. No other country can come close to competing with it on modern battlefields. US core defense spending (not including what is spent on operations in active theaters such as Afghanistan) is slightly more than $500 billion, an amount greater than those of the next ten countries combined.

And then there is America's considerable diplomatic and cultural influence. The former stems in large part from its economic and military might, from the large US role in international organizations, and from American diplomatic activism. Cultural impact results from American television and films, world-class institutions of higher education that are a magnet for the best and brightest from around the world, and the experience many people have when they visit this country. Closely associated to American influence is the historic appeal of the American political, economic, and social model; by what it is and what it does, the United States often has been a catalyst for reform around the world.

But it is also true that the United States enjoyed in the 1990s a degree of advantage and influence that had few if any historical precedents. Thanks to the perception that it had won the Cold War, its booming economy, an absence of great power rivals, diplomacy that was often deft and disciplined, and military advantages that lent themselves to classic battlefield wars, the United States was able to help bring about not just German unification but German membership in NATO, NATO's subsequent enlargement, the eviction of Iraq from Kuwait, and the Madrid peace conference, the first ever face-to-face meeting between Israel and the relevant Arab governments for the purpose of negotiating peace.

So what has changed? On one level, not all that much. Even at the height of its strategic advantage in the post–Cold War years, the United States couldn't bend the world to its will and, then as now, depended on others in important ways, be it for diplomatic and military support, energy, markets, or cash. No amount of American diplomacy succeeded in bringing peace to the Middle East or consensus on what to do when governments attacked (or could not prevent large-scale attacks on) their own citizens. Talk of a unipolar world was just that: talk.

But something else was going on. Other countries—often with US encouragement and support—got better at producing and piecing together the human, financial, and technological resources that lead to productivity and prosperity. China's GDP increased from less than $400 billion in 1981 to more than $7 trillion three decades later; India's increased from under $300 billion to nearly $2 trillion over that same period. This rise of countries, along with that of corporations and other entities with meaningful power, cannot be stopped or even materially affected. The United States was growing and enjoyed a position of absolute primacy, but its position relative to others was unavoidably diminishing as other countries (which had the advantage of starting from a lower base) were gaining ground.

There is also a difference between military advantage and the ability to translate such advantage into enduring results. One lesson drawn by many parties from the one-sided outcome of the 1990–1991 Gulf War was that it was a fool's errand to challenge the United States militarily in wide-open spaces where it could bring its most modern and capable technologies and weapon systems to bear. Some governments such as North Korea and Iran that were concerned about a possible US military attack accelerated their development of nuclear weapons. Other governments (Iraq, for one) focused on developing the capacity for deploying irregular forces in built-up areas, a capacity that frustrated US efforts to assert order in the aftermath of Saddam Hussein's ouster. The result was a reduction in actual US military advantage. What matters is not the quantity and quality of all US military forces but the quantity and quality that can be brought to bear in particular circumstances. Often just a small percentage of US might comes up against all of what an adversary can muster, in part because the adversary is fighting on its own ground, and also because what is one square on the geopolitical chessboard for the United States constitutes

the entire chessboard for a smaller country. The United States simply has too many interests and too many obligations to put all or even most of its eggs in any single basket.

Terrorism is another manifestation of the reality that military advantage does not translate into obvious security. The United States is a relatively open society, and with such openness comes vulnerability. This is one lesson of 9/11. Intelligence and law enforcement capabilities in this realm tend to be more relevant than military might; US defense forces play a secondary role at most. The fact that al-Qaeda was incomparably weaker than the United States was unrelated to its ability to inflict great harm on the cheap.

But other explanations for the deterioration in the relative position of the United States are home grown. To paraphrase Pogo, the character of Walter Kelly's comic strip popular a half-century ago, Americans have met the explanation, and, to a large extent, are it. Both by what it did and what it failed to do, the United States has accelerated the emergence of alternative power centers in the world and weakened its position relative to them.

Energy policy (or the lack of one) was one important driver behind this deterioration in the US posture. Following the first oil shocks of the 1970s, American consumption of oil nonetheless grew by some 20 percent, while imports more than doubled in volume and rose by 75 percent as a share of consumption. US oil consumption increased from just over 16 to nearly 21 million barrels a day between 1975 and 2005. American oil production failed to keep up, declining from 8.4 to 5.2 million barrels a day over that same period.[2] This US demand for imported oil helped drive up the world price significantly. The result was an enormous transfer of dollars and leverage to such countries as Saudi Arabia, Iran, Iraq, Libya, Qatar, Venezuela,

Nigeria, the UAE, and Russia, all of which became far wealthier and, in some cases, more powerful than they otherwise would have been.

Foreign policy also played a role in the weakening of America's position in the world. The Iraq war initiated in 2003 is a case in point. The United States did not have to go to war with Iraq. Saddam Hussein's Iraq was not involved in the 9/11 attacks and had little tradition of supporting terrorism. There were other options even if Iraq possessed (as my colleagues in the US government and I thought at the time) biological weapons and a desire to one day restart its nuclear program in earnest. In particular, sanctions could have been strengthened; deterrence was working and could have continued to work. Such arguments were overwhelmed by those who maintained it was essential to eliminate Saddam's thought-to-be considerable and sure-to-grow inventory of weapons of mass destruction. This conflict was expected to be a relatively quick and easy affair that would demonstrate to the world that post-9/11 America was back; further, that the much-changed Iraq that would result would spur democratic revolutions throughout the Middle East. All of these arguments prevailed—and all were proven wrong. It was an expensive lesson. Iraq proved to be an extraordinarily costly war of choice—in human, military, economic, and diplomatic terms. More than forty-four hundred American troops gave their lives; another thirty thousand suffered casualties.[3] The direct economic cost was on the order of $1 trillion, but, in reality, it will be far higher once long-term medical costs and lost productivity on the part of those killed or injured are factored in.[4] The immediate adverse strategic consequences of the Iraq war included Iran's emergence as a regional power no longer offset by a hostile Iraq and a much-damaged US reputation for everything from competence to respect for

human rights. Another unfortunate result was the conclusion drawn by most Arab monarchs and leaders that democracy was to be resisted no matter what lest it lead to an outbreak of sectarian politics and chaos.[5]

What is more, the initial results of an Iraq run by Iraqis are less than encouraging. To be sure, there have been a number of relatively fair elections and political life is active. The economy is growing. Oil production is up. But a political culture of compromise has not taken root, and the country continues to be divided by geography, ethnicity, religion, and politics. There is no consensus on how to share the potential wealth from Iraq's vast energy resources. The Kurdish north is largely autonomous; where its writ ends and that of the central government begins is unresolved. Iranian influence is pervasive; Iraq's willingness to allow Iran to use Iraqi airspace and territory to supply arms and oil to a Syrian government that is killing thousands of its own citizens is hardly the expected return on American investment. Iraq still experiences regular terrorist bombings. Millions of Iraqis are either internally displaced or refugees. While certainly better in some ways than it was five years ago, present-day Iraq is far from a model that other countries will want to emulate. Few military interventions prove immune to the law of unintended consequences.

Afghanistan, which has earned the dubious distinction as America's longest war, has also proven extremely costly. More than two thousand American soldiers have lost their lives; close to twenty thousand have been injured.[6] The financial cost is already roughly $500 billion.[7] It didn't have to be that way. This is not to question the original decision after 9/11 to oust the Taliban government that had provided support to al-Qaeda; it was both justifiable and necessary to prevent further terrorist use of Afghanistan as a base to launch additional attacks against

the United States. In addition, removing the regime in Kabul was meant to discourage other governments from carrying out terrorist acts or aiding those who did. Indeed, what the United States conducted in Afghanistan in the aftermath of 9/11 was a classic war of necessity: There was no other option that could accomplish what needed doing to protect vital US national interests in the time available.

What proved particularly consequential (and, I would argue, ill-advised) was the determination in 2009 to effectively triple US force levels and target not just al-Qaeda in Afghanistan but the Taliban. These decisions, built in part on policies introduced a year before by the previous administration, wrongly assumed Taliban gains automatically translated into gains for al-Qaeda and overlooked other options for dealing with al-Qaeda if it did reestablish itself in the country—drones and special forces come to mind—as well as the reality that, given its ethnic links, the Taliban would ultimately make major inroads in southern Afghanistan no matter what the United States did. A war of necessity morphed into a war of choice; in the process, the United States became a de facto protagonist in Afghanistan's civil struggle, when lesser options could have protected core US interests.[8] Making matters worse were ambitious goals for building a large military and creating police forces loyal to the Afghan state, objectives that mostly ignored the tradition of a weak central government.

What the United States will have to show for more than a decade of sacrifice and investment in Afghanistan will be minimal. It is difficult to be optimistic about the country's prospects in light of Taliban resilience, the weakness and corruption that plague Afghanistan's government, and the reality that Pakistan will continue to be a sanctuary for the Taliban and other armed groups that seek to gain a foothold or more in Afghanistan.

Much easier to foresee is an Afghanistan that will steadfastly remain the country it had been before a decade of enormous American involvement.[9]

Both of these wars represent graphic evidence that power in the abstract and the ability to influence particular situations are two very different things. The latter depends on the immediate balance of power; the relative degree of commitment of the parties; and, perhaps most important, local cultural, economic, social, and political realities and their relationship to the objectives of the stronger protagonist. To be sure, the United States could and should have prepared better for the aftermath of Saddam's ouster in Iraq and for the likely nature of the struggle in both Iraq and Afghanistan. But the larger lesson is that no amount of effort is likely to be able to overcome the political culture of a society, including such things as loyalty to sect or tribe over state, a winner-take-all (and loser-lose-all) approach to politics, historical balances between the capital and the periphery, the role of religion and the presence or absence of a secular divide, and the lure of traditional livelihoods and customs. "All politics is local" is the famous saying attributed to Tip O'Neill, the former speaker of the US House of Representatives; he might just as easily been referring to armed interventions.

Twenty-five years ago, Paul Kennedy outlined his thesis about imperial overstretch and the notion that great powers often ended up being anything but great as a result of impoverishing themselves in foreign folly.[10] A few years later, the Soviet Union would turn out to be Exhibit A; its demise came about as much because of decades of devoting too many resources to its military and a failed imperial venture in Afghanistan as it did from an inefficient economy and top-heavy politics. The question is whether Kennedy's idea now applies to the United States. Mostly it does not. The share of GDP that goes to all

things related to national security is at sustainable and by historical standards not terribly high levels, nearly $800 billion out of $16 trillion, or about 5 percent. The immediate cost of seven years of war in Iraq is in the range of $1 trillion, a significant sum to be sure, but only some 4 percent of US federal spending during that same period. Cumulative costs for Afghanistan increase those numbers by only 50 percent.[11] And so, the two wars together amount to 15 percent of the debt accumulated since 2001. American imperial overstretch is, at most, a contributing cause of America's economic predicament. I point this out not to trivialize the significant costs of the Iraq and Afghanistan wars; rather, to underscore that the United States need not take risks with its security to rebuild economically.

America's lack of fiscal discipline has contributed far more to its loss of power and influence than have these wars. Lyndon Johnson was widely and rightly criticized for fighting an expensive war in Vietnam and markedly increasing domestic spending simultaneously. George W. Bush fought costly wars in Iraq and in Afghanistan, allowed discretionary domestic spending to increase at an annual rate of 6 percent, and cut taxes deeply.[12] The fiscal position of the United States declined in eight years from a surplus of just over $100 billion in 2001 (a year shared by the administrations of Bill Clinton and George W. Bush) to an estimated deficit of approximately $1.4 trillion in 2009 (a year shared by the Bush and Obama administrations.) As a result, the cumulative federal debt increased from just under $6 trillion in 2001 to $10 trillion over that same period. Although some of this spending and resultant jump in the deficit could be attributed to justified expenditures in the aftermath of 9/11 and the 2008 financial meltdown, much could not.

The many causes of the 2008 financial crisis are well known. At its core were inadequate regulation of the home mortgage

market and the activities of large financial firms. As the economy went into recession, tax revenues dropped; at the same time, government spending was increased to jump-start the economy. Meanwhile, spending on entitlements also rose. The US budget deficit ballooned to between $1 and $1.5 trillion a year; by the end of 2012, the gross federal debt of the United States reached the size of its GDP. The United States had been set on an unsustainable path, one that would have to be corrected by its elected leaders through a mix of spending cuts and revenue increases or, failing that, that would leave the country vulnerable to forces outside its control.

The 2008 crisis, together with subsequent inability on the part of Congress and the executive branch to agree on a path forward to reduce the deficit and debt and restore traditional levels of economic growth, hurt the United States in another way: It diminished the appeal of the American economic and political model. The country's reputation for responsible global leadership took an additional hit when the United States took steps to accelerate its economic growth through "quantitative easing," steps that effectively increased the money supply, with little or no apparent concern for the rest of the world despite the fact that other governments held vast amounts of dollars (whose value would be reduced as the supply increased) and depended on the dollar for their international transactions.